

Date: 17 March 2017
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Councillor Nick Brown
Leader of Braunstone Town Council
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Dear Councillor Brown,

Ending of Council Tax Support Grant and New Homes Bonus

Thank you for your letter of the 2nd March on the above subject.

As a Parish Councillor of 28 years standing, I can understand your disappointment at the difficult decision we have had to make. As a District Council we have always sought to work as closely as possible with all of the 23 Parish and Town Councils within the District and believe we have an enviable record in this regard.

Since the introduction of Council Tax Support (CTS) we have always passed this on to our Parish and Town Councils. When this started in 2012/13, the amount we were allocated was shown separately in our Revenue Support Grant (RSG) information. However, in subsequent years, this has not been the case but we have continued to calculate the figure in line with the original intention, despite the fall in our RSG, which has accelerated since 2015/16. Indeed our RSG for 2017/18 is now only 18% of what it was when the scheme first started.

With RSG disappearing altogether within the next two financial years, it is clear that as a District we no longer receive an amount for Parish and Town Councils.

We have also, as you are aware, seen our funding reduce from several sources over the last few years and this will accelerate over the next couple of years. If I use New Homes Bonus as an example, from 2016/17 we only receive it for houses occupied in the previous five years and from 2017/18 the previous four years, instead of the 6 years prior to this. These changes are estimated to reduce our income by circa £500k in 2018/19.

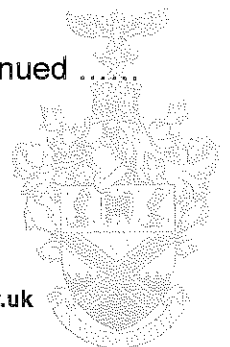
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Councillor Terry Richardson, Leader of the Council



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Against the financial backdrop and in line with our legal requirement to produce a balanced budget and to produce a robust Medium Term Financial Strategy, the Council took the decision to cease providing the funding you have mentioned.

As I mentioned earlier in this letter we have maintained the level of CTS since 2013/14 and I provide the information for Braunstone Town below:-

| Year | RSG | CTS |
|---------|-----------|--------|
| 2013/14 | 2,549,627 | 56,820 |
| 2014/15 | 2,222,492 | 52,046 |
| 2015/16 | 1,558,579 | 49,786 |
| 2016/17 | 952,284 | 49,374 |
| 2017/18 | 467,159 | 48,897 |

If one looks at total CTS for all Parish and Town Councils in 2017/18, this amounts to £196,301 out of a total RSG of £467,159. If we had reduced CTS in line with the reduction in RSG the applicable figure for all third tier authorities would have been £39,394, which is less than Braunstone Town alone is receiving.

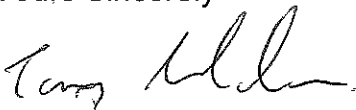
I have not provided the same level of information regarding New Homes Bonus, as the amount you have received over the same period has only averaged £900 per annum, but would make the point that some Parishes where substantial housing has taken place will also be affected.

In conclusion, the conscious decision made by the District Council to continue to provide CTS based on the original formula, has provided income to Parish and Town Councils far in excess of its relationship to the RSG we receive. I cannot therefore accept your assertion that we have not either considered or met our wider responsibilities.

It was therefore with some disappointment, that I read the article in the Leicester Mercury on Monday of this week, which I do not believe to be a fair reflection on the stance taken by Blaby District Council. In setting our budget in the same way you set yours, I have to be cognisant of the services we are required to provide and how to adequately fund them going forward.

I trust the foregoing information will provide greater clarity around the decision made, with great reluctance, by the District Council. However I look forward to continuing to work with not just Braunstone Town Council but also with all the other Parish Councils in Blaby, in a positive and constructive manner.

Yours Sincerely



Cllr Terry Richardson
Leader of Blaby District Council