

## **COUNCIL – TUESDAY, 7 MAY 2024**

### **QUESTIONS FROM COUNCILLORS**

#### **QUESTION FROM COUNCILLOR D BIGBY TO THE RELEVANT PORTFOLIO HOLDER**

At the last council budget meeting, the Conservative/Lib Dem Alliance removed the maintenance of Closed Churchyards from Special Expenses, spreading the cost across all Council Tax payers in the district, including the residents of my ward in Ashby. This has resulted in my ward residents being subject to double taxation - paying towards the upkeep of closed churchyards across the district plus the full cost of Ashby Town Council maintaining the closed churchyards in Ashby.

Since the budget meeting, Ashby's Town Clerk and Council Leader have approached the Council requesting that maintenance of Ashby's closed churchyards is also added to the General Fund. That request has been denied. I would like to request a list of the other parished areas in the District similarly subject to double taxation.

Can the Portfolio Holder justify this position and indicate what action, such as a Concurrent Grant Scheme, they propose to correct the inequitable treatment of many residents?

#### **RESPONSE FROM THE RELEVANT PORTFOLIO HOLDER**

Firstly, in responding to the point in respect of Ashby's Town Clerk approaching the Council requesting that closed churchyards is added to the General Fund – the Council responded stating when dealing with the maintenance of closed churchyards, the parochial church council may serve a request on a parish or town council to take over the maintenance of it, serving three months' notice. If the parish/town council resolves to do so, then during that three-month period it can serve written notice on the district council to maintain it rather than the parish/town council. With regards to the two closed churchyards in Ashby, it would appear that no notice was served on NWLDC during that three-month period. Consequently, the district council will not consider taking on the maintenance of them. As Blackfordby Churchyard is still active, then, again, the district council would not take on the maintenance of this.

By way of background:

- The Council is responsible for some closed churchyards in North West Leicestershire due to the operation of the legislation referred to in the Local Government Act 1972, these being:
  - Whitwick
  - Hugglecote
  - Coleorton
  - Snibston
  - Measham
  - Lockington and Hemington
  - Stretton
  - Appleby Magna.
- This means it is responsible for the maintenance of the assets.
- The costs to maintain the asset have been considered through necessary surveys revealing boundary wall, fencing and tree works.
- These surveys identified that they required significant works to make/keep them safe and meet our legal obligations.
- The Council was not able to recover the costs of the works needed on specific churchyards needed through the special expenses precept as it would have resulted

in a substantial increase in the precept which is not allowed under the Council Tax Referendum Principles.

- For example, the planned and preventative maintenance costs for Stretton churchyard would have needed a £718.94 increase in the Council Tax Band D amount for its 19 residents.
- Transferring the costs to the general fund and thereby spreading the cost across the district results in an annual increase of 37 pence for a Band D property.
- The Council was unable to increase special expenses without a corresponding decrease in the North West Leicestershire District Council Tax level in line with the Council Tax Referendum Principles.

In summary, the consolidation of churchyard maintenance expenses into the general fund is a measure taken to mitigate financial risks, ensure compliance with maintenance obligations, and maintain fiscal stability across the affected areas.

If a principal authority, such as North West Leicestershire, moves special expenses to the general fund, it does lead to a form of double taxation. This is because the principal authority would still be collecting Council Tax for those special expenses, but the parish would also need to raise funds (likely through an increase in its precept, which is also funded by Council Tax) to cover those same expenses. There are further examples of this within the District such as Kegworth and Castle Donnington. The decision to transfer special expenses to the general fund is a strategic approach to financial management. The impact of double taxation was considered, as well as the principles of referendums. Balancing these factors with the legal obligations to maintain churchyards, the chosen method is sensible financial planning. This ensures that funds are allocated efficiently while upholding the Council's responsibilities.

In terms of a Concurrent Grant Scheme, the Local Government Act 1972, particularly Section 136, indeed provides a framework for principal authorities to support local councils, such as parish or town councils, financially, especially concerning concurrent functions. Concurrent functions are services provided in some parts of the district by the district or county council and in other areas by a parish council.

Such a scheme would support parish and town council net revenue expenditure on a range of agreed concurrent functions. Those local authorities who have implemented such schemes have tended to provide grant funding at an agreed percentage of the net revenue expenditure e.g. 25% of the concurrent function. The parish and town council are then required to submit a claim to the principal council each financial year.

The financial landscape for local governments has shifted significantly in recent years. The rescinding or reduction of these grant arrangements by some authorities, is prevalent in the local government sector, and can be attributed to the broader context of austerity measures and budgetary constraints faced by the local government sector. Should the Council decide to implement this program, it would necessitate the identification of a sustainable funding source, effectively introducing an additional strain on the Council's financial resources. Considering the Council's goal to bridge its funding shortfall in the coming years, alongside the combined impact of service demands and inflation, and the rationale behind transferring special expenses into the general fund, it seems impractical to implement a grant scheme at this time.

Acknowledging the budgetary constraints, highlighted above, I will ask the Council's Section 151 Officer to meet with Ashby Town Council in the coming months to discuss the issues highlighted by the question.