

TOWN COUNCIL 23 JANUARY 2013**1. DISPENSATIONS FOR MEMBERS TO PARTICIPATE IN BUDGET DEBATE AND SETTING PRECEPT**

- 1.1 Recent legislation and the adoption of new Codes of Conduct have created an anomaly regarding declarations of interest and participation in debate and setting of budgets Council Tax and Precepts. The Localism Act 2011 introduced new arrangements for the granting of dispensations to allow members to speak and take part in matters in which they have an interest. This has replaced the previous arrangements that included standing dispensations to allow members to speak and vote in a range of matters. This report seeks the Council's approval to grant a dispensation to allow all members to speak, participate and vote on these matters.
- 1.2 Prior to the Localism Act 2011 there was an automatic dispensation to allow members to speak, participate and vote in matters affecting housing tenancy/lease; school meals or school transport and travelling expenses; statutory sick pay; any allowance, payment or indemnity for members; any ceremonial honour given to members; and setting council tax and precepts. All these dispensations have now fallen.
- 1.3 While it has always been accepted that Councillors have no greater interest in setting the budget and Precept than other constituents and there would be no breach of the new Code of Conduct there is still a technical problem relating to the requirements of the legislation. Virtually all Members pay the Precept by virtue of owning property within the Parish and it is reasonable to argue that any discussion about the proposed budget would impact on the local precept. The Localism Act has made a beneficial interest in land a Disclosable Pecuniary Interest leading to the risk of a criminal offence by taking part in discussion and decisions unless a dispensation is obtained. Therefore the Council is being asked to consider granting a dispensation for the purpose of the budget discussions and Precept setting under Section 33 of the Localism Act 2011.
- 1.4 A dispensation can be granted up to a maximum of 4 years if one of the following applies:
- (a) without the dispensation so great a proportion of the council or authority would be prohibited from participating in that business as to impede the council's or authority's transaction of that business,
 - (b) without the dispensation the representation of different political groups dealing with that business would be so upset as to alter the likely outcome of any vote,
 - (c) the granting of the dispensation is in the interests of people living in the council's or authority's area,
 - (d) without the dispensation each member of the council's executive would be prohibited from participating in the business, or
 - (e) it is otherwise appropriate to grant a dispensation.
- 1.5 Clearly the first of the above are met with regard to the budget and setting the Precept where the majority of members have a Disclosable Pecuniary Interest and as any dispensations have to be time limited (and for no longer than 4 years) it is suggested that these dispensations be for the remainder of the life of this Council (to 2 May 2013) for those existing members who are affected.

RECOMMENDED: that the Town Council grant a dispensation to all Councillors with a Disclosable Pecuniary Interest by virtue of an interest in property until 2 May 2013 so that all members can speak, participate and vote in all matters relating to the budget and setting the Precept.

2 PROPERTY TAX BASE FOR SETTING THE PRECEPT

- 2.1 Each year at this time the County Council notifies to each Town or Parish Council the Property Base which is the number of properties within the Parish Boundary from which the Precept is collected. This generally increases slightly each year to reflect any additional properties that have been built and currently amounts to 1,808.
- 2.2 As a result again of recent Government legislation which changed the approach with regard to the localisation of Council Tax benefit resulting in local schemes and the application of a differential tax base for Town and Parish Councils the County Council has calculated the revised tax base by Town and Parish Council.
- 2.3 The County Council has advised that it agreed the default national scheme will be implemented in Northumberland in respect of 2013/14 as this protects working age claimants in addition to the national protection already afforded to residents of pensionable age. This decision received cross-party support and seeks to protect the most vulnerable residents. At a global level it is hoped the majority of the cost (the difference between the overall reduction in Council Tax revenue and the specific grant obtained from the Government) would be met by removing a number of exemptions the most significant of which relates to empty properties. The impact by individual Town or Parish area will however vary depending upon the distribution of Council Tax benefit claimants and the distribution of empty properties and second homes.
- 2.4 I have to report that the revised tax base for Newbiggin by-the-Sea is 1,348 after adjustment for other exemptions meaning that to collect the same Precept as this year the Band D charge would increase from £62.56 to £83.88 unless the County Council passes across 100% of the Grant from central government. Some 551 Band D equivalent properties in Newbiggin are removed from the tax base as part of the benefits scheme which in percentage terms is one of the largest reductions in the county amounting to 30%. Across the county there is an 11% reduction but very wide variations between individual parishes.
- 2.5 There was some uncertainty about when these final decisions would be notified and clearly as they are of great importance in the process of settling a budget and Precept representations were made to the County Council by the Mayor and Town Clerk.
- 2.6 The Risk Appraisal Panel of the County Council met on 04 January and the Executive decided on 07 January that the grant would be passed to Town and Parish Council's for 2013/14 to offset the anticipated impact associated with the localisation of council tax benefit. The grant which will be paid with the April precept payment amounts to £28,742 for Newbiggin by-the-Sea Town Council.
- 2.7 In order to protect local residents from any increase in council tax payable as a consequence of the amended tax base the Town Council would need to deduct the grant from the Precept to be set for 2013-14.

RECOMMENDED that the Town Council set the Precept for the budget requirement for 2013-14 after taking account of the government grant passed on from the County Council.

3. WOODHORN VILLA – COMMUNITY ARTS CENTRE
 - 3.1 The Assignment of the Lease for Woodhorn Villa has been completed from Newbiggin Arts Forum following the issue of a license from Northumberland County Council with effect from 01 December 2012. Responsibility for the various utility accounts has also been completed and the various user groups notified.
 - 3.2 The principle aim is to make the premises available for local community use in particular and cover the operating costs through reasonable hire charges. Existing user groups are operating for as little as 2 hours per month with some clubs meeting weekly and the Gallery open at weekends.
 - 3.3 There is scope for further use of both the Gallery area and several rooms within the main building and therefore rates for room hire by the hour day or month should be agreed. Suggested rates based on existing arrangements will be circulated.
 - 3.4 In order to promote access to art for children and encourage visitors to the Gallery at weekends it has to be recognised that the hire rates will have to be subsidised and this should be done by approving grant to suitable local groups.

RECOMMENDED that:

- i) The Town Clerk be delegated powers to agree room hire arrangements;
- ii) The Grant Committee be delegated powers to consider grants to subsidise hire rates for approved users.