

Report



Cabinet Member for Community and Resources

Part 1

Date: 19 November 2018

Subject Review of Community Councils Concurrent Grant

Purpose To summarise the review of the Concurrent Grant given to community Councils and decide on the future of the grant.

Author Head of Finance

Ward All wards within community council boundaries

Summary The council allocates £131,137 per annum as concurrent grant to community councils within its border. The allocation for each community council has remained the same for a number of years while the council has investigated whether there is a better distribution process, in light of complaints from some community councils.

A number of different models of allocating the grant have been reviewed and it was concluded that applying any distribution method to this grant is inherently flawed and the grant acts, in practice, as a 'block grant' to the community councils. This, coupled with the significant financial challenges the Councils is facing has led to a recommendation that this grant ceases. Community councils can 'precept' additional funds to make up for this and/or reduce expenditure as the city council has to do.

Proposal 1. To discontinue the distribution of Community Council Concurrent Grants, effective from 2019/20.

2. Authorise the Head of Finance to notify all community councils of the final decision as soon as possible in order to allow them to plan appropriately.

Action by Head of Finance

Timetable Immediate

This report was prepared after consultation with:

- The Head of Law and Regulation
- The Head of People and Business Change
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Signed

Background

Newport City Council allocates concurrent grants totalling £131,137 per annum to community councils. The distribution of grant has remained the same for each community council for a number of years'. The current distribution was established some years ago and was based on a process of asking them to 'bid' for what they would like/need. The grant was then distributed taking this into account.

Table One (later) shows the current distribution of this grant to each community council and how it compares to precepts (council tax) raised by each. It shows:

- There is a wide variation in the grant allocated to each council
There is a wide variation in the grant as a percentage of their total funding (their precepts and the grant). In most cases, the concurrent grant is a relatively large part of their overall funding and for five councils it is more than 40 per cent of their precept funding.
- The grant can be a significant part of community councils funding
- There is potential over-reliance in some areas
- There is significant disparity between community councils in terms of what they receive in grant and what they raise as precept to fund their costs and this raises the question of whether the balance of funding is correct and/or appropriate?

What is the Concurrent Grant?

It is intended to provide compensation to community councils for providing services, by agreement with the city council, which the city council also provides (common services). Where this happened, the city council would not, in theory, need to provide those services in those wards covered by the community council. This then avoids "double taxation" as not all areas of the city have community councils.

Council Tax bills include Newport City Council's element and, where applicable, a community council element; two sets of Council Tax effectively. The Concurrent grant, in theory, reduces the community councils own precept requirement where they deliver common services, thus avoiding the double taxation issue. However, although in theory the aim of the grant is to compensate for common services, in practice, community councils provide different services to different levels, with no reference to the city council. As the city council's budgets continue to reduce, the kind of services and levels provided by the city council also change regularly, and therefore the position is subject to regular change.

Issue & options

As well as the points noted above, re the different amounts paid to community councils, potential over-reliance on the grant and how it is a large percentage of their income, there is significant frustration among the community councils. The single source of that frustration lies in the view that the grant paid to Rogerstone Community Council is out of proportion to the others in value and it reduces the total amount to be shared among the rest of the councils. As shown in Table One below, there is significant disparity between councils in terms of the grant as a proportion of their total funding and, while Rogerstone Community Council does have the highest amount of grant, and is high in relation to its own precept, it is not the highest in that respect.

There has been a long-running debate in the community councils liaison committee about the grant but there has been no consensus on a different method of allocating the grant. The overwhelming view of the committee members is that the distribution of the grant needs to be updated with the amount paid to Rogerstone Community Council reduced to enable a more equal distribution of the grant.

While the frustrations of the community councils are acknowledged, their broad objective would not meet the aims of the grant, as explained above.

Given this, a number of attempts by the current and previous Heads of Finance to look into this have been undertaken. A number of relatively easy allocation methods have been modelled, shown below

(options 1-4) but none fulfil the aims of the grant. A fifth option would be to base it on the budgeted cost of providing "common services".

1. Tax base
2. Current Precept
3. Population
4. Minimum amount paid to all / balance based on current precept
5. Budgeted cost of providing 'common services' (services provided)

The redistribution impacts of all the options were reported to a scrutiny committee in 2016 but only option 5 fulfils the aims for the grant and was also the preferred option of that Scrutiny committee. Table one below shows the impact of the 'services provided' option against the current historical allocation.

Inherent practical issues

The 'services provided' method is an improvement on the current historical basis and fulfils the aims of the grant. However, since reported to scrutiny in 2016, further review of this grant has highlighted a number of key issues:

- Common services are discretionary in nature
- In practice, there is no process that co-ordinates what common services are delivered by either community councils or the city council and any such process would be complicated and time-consuming to manage
- Such services are discretionary and, after many years of austerity, neither a community council or the city council would necessarily want to or be able to fund services which the other decided it could no longer provide.

These inherent issues were not highlighted to the scrutiny committee in 2016 and so members focussed on the different options of distribution only.

Given these issues, the historical basis of the current allocation and the community councils own view of the grant, this grant is, in reality, a 'block grant'. It is providing, to an extent, 'top-up' funding to community councils to provide additional services and / or subsidise their precept. In that respect, it also provides those wards covered by a community council an advantage of greater funding compared to wards not covered by a community council. Residents in areas without a community council are, effectively, subsidising services provided in community council areas.

This does not mean that services provided by community councils are not needed or appreciated at the local level; just that the direct link between funding of common services from the city to community council is, in practical terms, inherently very difficult to achieve.

Views

The options set out above, including deleting the grant, have been discussed with the community councils forum over the last two years and with scrutiny in late 2016.

Community councils expressed a preference for the first three options above. The scrutiny committee acknowledged the 'common services' options as a significant improvement towards the allocation of the grant in meeting its aims and was the option recommended, implemented in a phased approach.

What happens elsewhere?

The council contacted the south east Wales neighbouring councils, Powys and Cardiff Councils to see what happened there. From those that replied, it was clear that most have either phased out or have never paid concurrent grants to community councils.

Conclusions

A number of issues and conclusions have been highlighted through the review of this grant:

Current distribution and use of the grant:

1. The current distribution of the grant does not meet the requirements of the grant aims.
2. The grant, as a percentage of Community Councils total funding is very variable and is very high in a number of Councils, and has no justifiable basis. It is historical in nature.
3. The grant therefore operates, on a practical basis, as a 'block grant' to the Community Councils
4. The grant therefore provides 'additionality' and/or a 'subsidy to their precepts' to a lesser or greater extent, at the City Council's expense.

Way forward and recommendation

This review is being concluded during a period of significant financial pressure which has worsened since 2006 when scrutiny reviewed the allocation methods. Therefore, there must be a compelling reason to carry on with the grant or use a different distribution method

The only distribution methodology that includes any reference to common services provided is the 'services provided' model and if the grant were to continue, the recommendation would be to move to this method. However, the 'services provided' model would distribute the grant based on what individual community councils currently provide which has not been co-ordinated with the city council. Services provided by both tiers of councils develop and change over time and continuing austerity means that the city council has and will continue to review what services it can afford to deliver. As discretionary services, neither the community councils nor the city council would necessarily want to, have to, or be able to fund and provide services which the other decided it was going to stop/reduce or where they are not provided at all currently

It could therefore be justified that this grant ceases in the current financial climate where this operates as, essentially, a 'block grant'. If the grant ceases, any precept raised by community council would then be for additional/new services, which they are responsible and accountable for. The concurrent grant would not 'muddy the waters' in this respect, as it does currently, and in practical terms, would do in the future. A decision to cease the grant would have no impact on services that the city council provides across the city and would be a more transparent and simpler way forward.

The table below summaries the impact for each community council for each of the six options:

Table One – Impact of different options modelled

	CURRENT POSITION				NEW ALLOCATION METHODOLOGY - IMPACT		C TAX IMPACT - ASSUME NO CHANGE TO TOTAL BUDGETS		
	<u>Concurrent Grant 2018/19 funding</u> (A)	<u>C Tax 2018/19 funding</u> (B)	<u>Total 2018/19 Funding</u> (A+B)	<u>Concurrent Grant - % of total Funding</u>	<u>Concurrent Grant 2018/19 allocation based on 'services provided'</u>	<u>Change</u>	<u>Current 18/19 Band 'D'</u>	<u>Band 'D' impact of changing allocation</u>	<u>Band 'D' impact of stopping grant</u>
Bishton	£ 16,050	£ 9,486	£ 25,536	63%	£ 29,005	£ 12,955	£ 12.37	-£ 16.89	-£ 20.93
Coedkernew	£ -	£ 2,958	£ 2,958	0%	£ -	£ -	£ 3.00	£ -	£ -
Goldcliff	£ 1,291	£ 3,078	£ 4,369	30%	£ 1,990	£ 699	£ 16.03	-£ 3.64	-£ 6.72
Graig	£ 14,037	£ 57,605	£ 71,642	20%	£ 38,145	£ 24,108	£ 20.00	-£ 8.37	-£ 4.87
Langstone	£ 4,690	£ 40,233	£ 44,923	10%	£ -	-£ 4,690	£ 20.80	£ 2.43	-£ 2.43
Llanvaches	£ 1,700	£ 4,912	£ 6,612	26%	£ 3,489	£ 1,789	£ 19.97	-£ 7.27	-£ 6.91
Llanwern	£ 3,160	£ 7,500	£ 10,660	30%	£ 5,561	£ 2,401	£ 11.28	-£ 3.61	-£ 4.75
Marshfield	£ 7,244	£ 27,637	£ 34,881	21%	£ 18,197	£ 10,953	£ 18.00	-£ 7.14	-£ 4.72
Michaelstone - Y - Fedw	£ 1,260	£ 3,700	£ 4,960	25%	£ 2,043	£ 783	£ 21.64	-£ 4.58	-£ 7.37
Nash	£ 9,160	£ 1,785	£ 10,945	84%	£ 7,792	-£ 1,368	£ 12.57	£ 9.64	-£ 64.51
Penhow	£ 2,085	£ 14,718	£ 16,803	12%	£ 6,246	£ 4,161	£ 32.07	-£ 9.07	-£ 4.54
Redwick	£ 2,760	£ 2,748	£ 5,508	50%	£ 2,746	-£ 14	£ 24.10	£ 0.13	-£ 24.21
Rogerstone	£ 64,500	£ 96,112	£ 160,612	40%	£ 12,293	-£ 52,207	£ 19.19	£ 10.42	-£ 12.88
Wentlooge	£ 3,200	£ 4,463	£ 7,663	42%	£ 3,629	£ 429	£ 12.23	-£ 1.18	-£ 8.77
	£ 131,137	£ 276,935	£ 408,072		£ 131,137				

Financial Summary

This report concerns the allocation of concurrent grant of c£131k to community councils within the city council's boundary.

Maintaining the grant but allocating it differently would have no financial impact on the city councils overall budget but would impact on the grant that each community council receives, as shown in table one above. A decision to cease the grant would provide a saving of £131k to the city council's budget.

Table one shows the impact on the community councils individual precept if they replaced the lost/increased grant (by either a re-distributed amount or complete cessation) by raising/reducing their local precept for it – assuming no change in their total budget.

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Change to grant leads to service impacts which could impact on the council	L	L	These services are discretionary services and the city council would not necessarily need to or be able to mitigate any services that cease. Community councils could increase their precepts to maintain services and / or prioritise what they can afford to deliver.	
Change to grant leads to changes to precept levels of community councils.	L	M	As noted above, this is entirely possible and as Table One in the report shows, changes are relatively small.	

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

Community councils provide useful and necessary services within their own communities.

Options available and considered

The options are:

- To maintain the grant and move the allocation to the 'services provided' method as a significant improvement in the way it is distributed
- To cease the grant altogether – in a phased approach or a single year

Preferred Option and Why

The recommended option is to cease the grant altogether from 2019/20. As common services are discretionary and after many years of financial austerity, neither community nor city council would necessarily want to, be required to, or be able to fund and provide services, if the other decided it was not going to provide or reduce those common services. The link between the services provided and the grant are, in practical terms, inherently weak. Ceasing the grant would also provide greater transparency on community councils charging precepts for additional services locally, which they would be responsible for.

Comments of Chief Financial Officer

All financial issues are covered within main body of the report.

Comments of Monitoring Officer

There are no specific legal issues arising from the report. The concurrent expenditure grant to community councils is non-statutory and entirely discretionary. The purpose of the grant is to avoid "double taxation" where community councils are providing local services which would otherwise be the responsibility of the city council. These concurrent functions are generally discretionary services, such as the maintenance of open spaces, play areas, community halls etc. and are areas in which services are being reduced by the city council due to austerity measures and budget cuts. Therefore, there is no longer any certainty that, if the community councils ceased to provide these services locally, the city council would automatically pick them up. Therefore, the cabinet member could decide to discontinue the grant altogether or continue with a different allocation methodology. However, this grant has been paid for a number of years based on historical apportionments, allocated according to original "bids" – hence the fact that Coedkernew, for example, has never received anything. The community councils have complained for many years that this apportionment is unfair because Rogerstone has received almost half of the entire grant allocation. However, there has been no general agreement or consensus of opinion regarding the fairest alternative method of apportionment. Options have been debated at the community councils liaison meeting, but there was no clear consensus. The difficulty with all of these options is that, although they secure a more even distribution of the concurrent grant among the community councils, the methodology adopted is unrelated to the purpose of the grant, which is to cover the costs of providing concurrent services, not to subsidise their general budgets. The 'services provided' option tries to address this issue by relating the grant to the services that are actually being provided. Therefore, this was the preferred option recommended by scrutiny committee, following their review of the various alternatives. However, that recommendation was subject to a number of caveats, involving its introduction on a phased basis to mitigate the reduction in allocation to certain councils and increased monitoring of expenditure on concurrent functions, to ensure fairness of distribution.

Since the scrutiny review, there have been further austerity measures and budget cuts, which have resulted in further reductions in the types of discretionary services that are covered by the concurrent expenditure grant. As the Council would be unlikely to fund or deliver these services directly, then it is increasingly difficult to justify the continued payment of the grant, whatever the basis of the allocation. Ceasing the grant altogether would provide greater transparency as it would enable community councils to decide whether or not to deliver these services locally and, if so, to increase the local precept accordingly to pay for them.

Comments of Head of People and Business Change

The background to the decision and challenges presented by the distribution of the grant are outlined in the report. Working in partnership with community councils where they exist in the city is essential and a requirement of the Well-being of Future of Generations Act.

There are no direct staffing implications arising from the proposed change.

Comments of Cabinet Member

Under the current financial austerity climate, which has continued since scrutiny reviewed this in 2006, this grant is difficult to justify in the way it is currently distributed. As the council's financial challenges are set to continue, given that services will need to change in the future, the discretionary nature of the 'common services' involved here and the opportunity to give clarity / transparency on what community councils' precepts will fund locally, then I agree with the recommendation to cease this grant from 2019/20.

Comments of Non-Executive Members

Rogerstone

Cllr C Evans:

Good Morning, with regards to the consultation document referenced above, could you please forward the comments/questions for the cabinet members consideration, I've copied in the chair of Rogerstone community council and clerk for reference, the observations, suggestions and questions were collated after consultation with Rogerstone Community Council and I understand I am submitting them on behalf of Valerie Dudley and myself, Chris Evans - and I understand this common view of all Rogerstone ward councillors.

General overview, feedback...which ever option is decided upon, I suggest there needs to be transitional relief for Community Councils, especially those who provide services supported by the grant. It is too late in the budget setting process to accommodate such drastic reductions in funding.

Do you think 4 months' notice is not enough to cater for the proposals?

If Option 5... is chosen to fund a 'services provided' model, will there be a review of what services are provided in each Community Council area that could possibly be supported as on the face of it, Table 1 appears to be seriously flawed? It is a fact that Rogerstone provides more discretionary services than other Community Councils (for example: allotments, play park, trim trail, football pitches, cricket pitch, tennis courts, community hall, cemetery (50% with Graig), public open spaces, public toilets etc.). However, the new allocation methodology is for Rogerstone to receive £12,293 whilst 3 others are to receive £38,145, £29,005 & £18,197, therefore will NCC be transparent on how this has been calculated & critically, carry out an accurate review \ benchmarking exercise of current provision of services should this option be preferred?

Will NCC consider a reduction in Council Tax in areas where support for discretionary services is removed to mitigate the 'double taxation' issue. To illustrate this point, NCC provide large public leisure facilities & public open space in some wards, e.g. Tredegar Park, Beechwood Park, Belle View Park, however Rogerstone is probably one of the largest wards in Newport so why would NCC not support the Welfare Grounds - or reduce the Council tax accordingly to allow the Community Council to provide the service?

Welsh Government recently canvassed opinion for Community Councils to take on the burden of providing discretionary services from principal councils where there was ability to do so. Why would NCC choose to abolish support for discretionary services before the results of this consultation are published, causing Community Councils to consider scaling down or ceasing provision of their services where they exist?

Principal Councils have an obligation under the Welsh Government White Paper Reforming Local Government: Power to Local People, to review the structures of Community Councils by 2022, which should be a holistic review therefore a concurrent grant review only seems premature. Can you advise if NCC have reviewed these structures prior to the proposal to abolish the concurrent grant? If NCC are committed to working in partnership with Community Councils, in practical terms what form will this take if the grant is removed?

If the grant is abolished & Members resolve to disband the Community Council, or a large precept increase triggers a Community Vote which disbands the Community Council, NCC will be left with the assets & liabilities therefore has a risk assessment been done on the impact of this (including staffing implications)?

The report highlights Rogerstone as having a high concurrent grant but does not explain why (i.e. range of services provided), so it appears discriminatory towards Rogerstone. Should therefore the inflammatory remarks be at least balanced?

the report highlights the link between services provided & the grant as being inherently weak, the community services provided by Rogerstone have a direct correlation, in fact Rogerstone financially under recover via the existing concurrent grant.

Wellbeing of Future Generations Act – has any consideration been given to the potential impact on health & wellbeing if sports \ leisure facilities are discontinued as a direct consequence of the proposal.

As well as the questions above, I have specific further information which I will require & have listed below;

1. Please provide a list of discretionary services provided in each ward.
2. Please provide the cost of existing discretionary services provided in each ward.
3. A few years ago Community Councils were required to confirm to Newport City Council the extent of services provided. How has the `Concurrent Grant 2018/19 new allocation methodology in Table 5 of the Review of Community Councils Concurrent Grant been calculated, please provide the calculations & rationale of the proposed financial support?
4. What progress has been made with Welsh Government White Paper Reforming Local Government Power to Local People Review?

Cllr Y Forsey:

Firstly I must declare that I am a community councillor and sit on the Rogerstone Community Council.

Following the meeting of Rogerstone Community Council yesterday, please see the attached comments / questions, which I would like taken into consideration and a response to:

- Whichever option is decided on, there needs to be transitional relief for Community Councils, especially those who provide services supported by the grant. It is too late in the budget setting process to accommodate such drastic reductions in funding. I think four months' notice is not enough to cater for the proposals?
- If Option 5 is chosen to fund a `services provided` model, will there be a review of what services are provided in each Community Council area that could possibly be supported as on the face of it, Table 1 appears to be seriously flawed? It is fact that Rogerstone provide more discretionary services than other Community Councils (for example: allotments, play park, trim trail, football pitches, cricket pitch, tennis courts, community hall, cemetery (in conjunction with Graig), public open spaces, public toilets etc.). However, the new allocation methodology is for Rogerstone to receive £12,293 whilst 3 others are to receive £38,145, £29,005 and £18,197, therefore, will NCC be transparent on how this has been calculated and critically, carry out an accurate review / benchmarking exercise of current provision of services should this option be preferred?
- Will NCC consider a reduction in Council Tax in areas where support for discretionary services is removed to mitigate the `double taxation` issue. To illustrate this point, NCC provide large public

leisure facilities & public open space in some wards, e.g. Tredegar Park, Beechwood Park, Belle View Park, however Rogerstone is probably one of the largest wards in Newport so why would NCC not support the Welfare Grounds - or reduce the Council tax accordingly to allow the Community Council to provide the service?

- Welsh Government recently canvassed opinion for Community Councils to take on the burden of providing discretionary services from principal councils where there was ability to do so. Why would NCC choose to abolish support for discretionary services before the results of this consultation are published, causing Community Councils to consider scaling down or ceasing provision of their services where they exist?
- Principal Councils have an obligation under the Welsh Government White Paper Reforming Local Government: Power to Local People, to review the structures of Community Councils by 2022, which should be a holistic review therefore a concurrent grant review only seems premature. Can you advise if NCC have reviewed these structures prior to the proposal to abolish the concurrent grant?
- If NCC are committed to working in partnership with Community Councils, in practical terms what form will this take if the grant is removed?
- If the grant is abolished & Members resolve to disband the Community Council, or a large precept increase triggers a Community Vote which disbands the Community Council, NCC will be left with the assets & liabilities therefore has a risk assessment been done on the impact of this (including staffing implications)?
- The report highlights Rogerstone as having a high concurrent grant but does not explain why (i.e. range of services provided), so it appears discriminatory towards Rogerstone. Should therefore the inflammatory remarks be at least balanced?
- Report highlights the link between services provided & the grant as being inherently weak, the community services provided by Rogerstone have a direct correlation, in fact Rogerstone financially under recover via the existing concurrent grant.
- Wellbeing of Future Generations Act – has any consideration been given to the potential impact on health & wellbeing if sports \ leisure facilities are discontinued as a direct consequence of the proposal.

As well as the questions above, I have specific further information which I will require & have listed below;

1. Please provide a list of discretionary services provided in each ward.
2. Please provide the cost of existing discretionary services provided in each ward.
3. A few years ago Community Councils were required to confirm to Newport City Council the extent of services provided. How has the `Concurrent Grant 2018/19 new allocation methodology in Table 5 of the Review of Community Councils Concurrent Grant been calculated, please provide the calculations & rationale of the proposed financial support?
4. What progress has been made with Welsh Government White Paper Reforming Local Government Power to Local People Review?

Wentlooge

Cllr R White:

Firstly I must declare an interest as I am a Community Councillor on Wentloog Community Council.

The proposal to withdraw concurrent expenditure completely will cause considerable damage to rural communities. A blanket withdrawal of funds is not appropriate as not all Community Council areas are the same in population size or have the same level of income or the ability to raise more income.

For example Wentloog CC receives £3,200 in concurrent expenditure. This is distributed between the Village Halls in Peterstone and St. Brides equally at £1,600 to each Hall to cover maintenance, improvement and provision of these facilities which are important to the local communities.

In St.Brides case at the moment this represents approximately 70% of their annual income as there are not many lettings to create income.

Similarly in Peterstone this represents approximately 76% of their income. In addition Peterstone pays rent to Newport City Council who own the building but the Village Hall management Committee have to carry out considerable maintenance to a First World War building at it's own expense. To cover these amounts by increasing the precept would mean an increase of 71.7% on the existing precept in the Wentloog CC area.

Marshfield receives £7,244 in concurrent grant. It has already paid out £9,000 plus in the first five months of this year alone to maintain the Village Hall, play areas, allotments and playing fields which is in excess of the concurrent grant they receive.

Michaelstone receive £1,260 in concurrent funding. Their Hall is owned by NCC to whom they pay a rent but they maintain and improve the Hall at their own expense. The Community Council currently give £500 as a grant from the concurrent funding with an additional £500 as and when needed. They have currently budgeted to spend £2,600 for badly needed improvements to the carpark owned by NCC.

I also have been informed that a Community Council outside of my Ward has had to borrow substantial sums to bring their Village Halls up to a reasonable standard. Withdrawal of the concurrent grant could cause considerable financial problems for them.

Newport CC provide and pay for Community Centres, allotments and playing fields in areas of the City which do not have Community Councils. This is paid for out of money collected from residents of all Wards therefore it is only fair that Newport City Council pays for the upkeep of Village Halls, playing fields, allotments, etc. run by the Community Councils which are the rural equivalents. The fact that these are run by local volunteers saves any administration/supervision/repair costs which would be incurred if NCC had to supply and administer these facilities.

Will NCC take over the provision of these services if concurrent expenditure is withdrawn or will residents of rural wards lose these valuable and necessary facilities which are provided by NCC in other parts of the City?

Will residents of the Community Council areas have to contribute to keep their own facilities as well as those of other Wards who do not have to pay extra?

Will residents lose these facilities completely whilst still contributing to those in other Wards? I would question whether this is Fair.

There is a strong possibility that some Village Halls may have to close if the concurrent grant is withdrawn. This would be disastrous for Peterstone and St. Brides as both Villages have no alternative venues suitable to hold public meetings and Community Council meetings and the ability to hold some social functions would disappear from the communities. For example Peterstone has lost the Church and the Six Bells Inn and the Village Hall is the only communal facility remaining. I would question whether

this conforms to the Wellbeing of Future Generations Act as future generations would not have these facilities available to them.

It is also worth remembering that all the Village Halls are used as Polling Stations. If they were to close then NCC would face increased costs supplying portable polling stations and generators.

I would respectfully request that before any decision is taken that a more in depth assessment is made of the needs of each Community Council separately to ensure that undue hardship is not imposed on any one of them and that they do not lose vital facilities which are available to residents in other areas of the City. Also that an assessment of the costs of NCC running the facilities is made. I expect this would show that it would cost NCC far more than the £131,00 proposed saving.

I trust that the Cabinet Member will consider the above points carefully and not decide to withdraw concurrent grant completely but instead revise it in line with the needs of each Community to ensure that Community Council areas are not discriminated against.

Cllr T Suller:

I am worried about payments being stopped for community councils. The village halls are a vital part of any community and maybe lost to local residents. I hope the Cabinet member will consider this when a decision is taken.

Llanwern

Response 1 from Cllr Kellaway:

I attach extracts from recent communications from a community council in the area I represent, and would request it is added to the report.

It re-enforces my request that such proposals should be put before the fairness panel before any final decision is made in light of its negative impact on communities such as Underwood in particular.

I would also request that I along with fellow councillors who represent communities with community councils meet with the cabinet member to fully discuss the contents of the report and its impact in particular if a community council decide to wind down because of the particular unfairness of the proposals and where the financial liabilities lay to provide the services the community councils provide on a volunteer basis.

I look forward the cabinet members response.

Extracts from comments by community council

- (a) The Newport City Council proposal to cut our Community Council's budget by over 60% at a stroke is grossly unreasonable, so much so that it is impossible to believe that a reasonable person could have made it. It is also arguably illegal, not because our services are statutory, but because removing >60% of a Community's budget in this way in our opinion fails the normal tests of reasonableness as used in Judicial Review. This would also be grossly unfair to future generations who benefit particularly from our services which encourages exercise and active travel locally in accordance with the 2015 Act. No other Community Council or non-Community Council urban area of Newport providing the range of services our Community Council provides is going to be subject to a 60% funding cut in one year. Our Community is being unfairly threatened and would be seriously damaged by the scale of these cuts, the like of which is not being experienced by any other part of the City.
- (b) The Newport City Council assessment of risk resulting from the implementation of this proposal is completely wrong so far as our Community Council is concerned. Far from being a Low/Medium level of risk, the impact on us will be significant and therefore any risk analysis would in our case identify that the proposed budget cut will result in "High Risk that a substantial proportion of the services currently provided in Underwood and Bishton would be lost".
- (c) There is further risk that the land-leases covering all the services provided in Underwood would be handed back. Newport City Council would then need to decide whether to continue with the services

from the general Council Tax already paid by our residents, or face up to telling residents that they are to lose their valued services. Of course, our residents will still be asked to pay for similar services in many other parts of the City.

- (d) Having only 7 days' notice of this review which will have such a major impact on our Council is in our view, morally contemptible and a breach by Newport City Council of its statutory duty and written agreement to work in partnership with Community Councils.
- (e) The Newport City Council proposal to end concurrent grants at a stroke is a disproportionate response to its own financial challenges, given that the overall amount is a very small fraction of its budget and that the Newport City Council's grant from The Welsh Government has actually increased slightly for 2019/20.

Newport City Council's own Scrutiny Committee recommended that concurrent grants should be retained and related to the budgeted cost of providing common services. Instead of unfairly removing £16,050 from our Community Council budget (almost $\frac{2}{3}$ of our budget), this logical and fairer option would actually increase our concurrent grant payment from Newport City Council to £29,005. For the first time, this would mean that the costs of the community and leisure services were being fairly funded to balance the money which our residents have contributed for decades towards similar local services in the urban area of Newport. This to us is the obvious solution.

Response 2 from Cllr Kellaway:

I would like to offer my objection to the attached report and its recommendation and wish the comments to be in the report and fully considered by the cabinet member.

Underwood which forms part of the Bishton community council has been unfairly treated compared to other parts of the city that have access to facilities such as leisure centres, sports and recreational facilities which vulnerable residents are unable to access due to poor transport links.

Glan Llyn already pay unfairly more than other areas of the city and this will further compound the unfairness that this council is nurturing.

Removing the concurrent grant simply means that essential services or provision will be axed this needs proper consideration by the fairness commission before any final decision is made.

To suggest that there is no requirement for an equalities impact assessment simply delegates the authorities responsibility and the authority should assess the proposal.

To suggest a further increase in council tax creates a new tier of tax paying more for services that other areas of the city pay less for, this is not fair and not democratic.

The villages already pay some of the highest council tax in the city yet have less services because of their location with the city council wishing to forget they exist.

Response 3 from Cllr Kellaway:

One final point if I can add, it ought to be put before full council to properly debate and approve.

Langstone

Cllr Routley:

I've been in the position to speak with community councils, and they accept the plan proposals.

However we would like you to consider that the concurrent payment was linked into extra services provided by the community councils services that were provided under the extra payment should now return back to the City Council to provide a level playing field is for all not the few.

Graig

Cllr Williams:

Dear Michelle, I do not believe this is a genuine consultation as the decision to cease this grant seems to have already been taken. In my own ward (Graig) the grant is used to help maintain our local village halls, one of which is an old building still in need of substantial repairs. Our Community pays for community facilities in other parts of the City via the Council Tax but will be expected to pay again via the Community Council precept for facilities in the ward. I propose that the grant be reduced over a three year period to give Community Councils time to adjust their finances.

Response 1 from Cllr Cornelious:

I am totally against this proposal. Community Councils do very good work locally within the wards, among which are things that NCC cannot do due to financial pressures. I hope this decision will be reconsidered, and I would be willing/like to meet with the cabinet member before a decision is made. Could you please confirm receipt of this email. Could you please forward this email if I have not written to the correct officer. Community councillors do not get paid so they are a true asset to the local community

I would like to meet with the cabinet member, before a decision is made.

Response 2 from Cllr Cornelious:

I wish to register my objection to the removal of the concurrent grant to community councils. The community councillors do their work largely on behalf of the City Council which means that the city council does not have to pay.

I believe that the community council can probably get things done more cheaply than NCC, as their work is done on a voluntary basis I feel this would be a retrograde step.

Response to Non-Executive Comments from Cabinet Member

I am grateful for comments here. I have also met with Community Council representatives on Tuesday 13th November where I listened to their points. This is in addition to reviewing their written responses I also received during the formal consultation period.

The distribution of this grant has been problematic for many years and in reviewing it, the potential cessation of the grant has always been 'an option'. Any impact on their budgets next year and precept requirement can be assessed over the next 10-12 weeks or so before they need to confirm their precept requirements to the City Council, which should leave adequate time

The following points are relevant:

- Everyone in the city pays the Newport City Council's element of their total Council Tax but only areas covered by Community Councils receive this 'grant', which is payable from the City Council's budget. There is therefore cross-subsidy. Removing the grant will provide a clear connection between the additional precept paid locally and services provided by their Community Council which may not otherwise be provided
- The grant operates like a general block grant. Services have been developed and grown over many years based on local priorities and decisions made by Community Councils themselves. This does not meet the aims of the Concurrent Grant as stated in the report and because of that, in current period of financial challenges, it is hard to justify it.
- Council Tax is a property based grant – it is not generally linked to services provided. Most of the city Councils budgets is spent on educating children and protecting vulnerable children and adults for example. The Community Councils are able to provide additional services which are deemed important by local people and I hope this will continue.
- The financial impacts on precept payers in these areas are generally small if they were to precept to offset the lost grant. Of the 14 Community Councils,
 - 1 is unaffected
 - 5 would need to increase precept by less than £5 per annum
 - 4 by less than £10 per annum
 - 1 by less than £13 per annum

- 2 by less than £25 per annum
 - 1 by approximately £65 per annum
- All figures based on a Band 'D' property.*

I am therefore confirming my recommendation to cease the grant from April 2019.

Local issues

The basis of the issue here only affects those wards within community council areas and could, depending on the decision taken and what those councils then do, impact on council tax levels in those wards, albeit relatively marginally.

Scrutiny Committees

This report was presented at the StreetScene, Regeneration and Safety Committee in October 2006 and their recommendation on the distribution method of this grant are contained within the body of the report

Equalities Impact Assessment and the Equalities Act 2010

There is no need for an assessment here though it is recognised that the decision made here would affect community councils differently and only those parts of the city that fall under community council.

On a practical level, this funding acts like a 'block grant' and community councils decide separately what services they wish to deliver locally. Community Councils provide a wide range of different services and it is not possible or practical to assess any impacts at this level of decision. It is entirely the community councils' decisions as to how they would change services and/or increase their precept to mitigate these changes here.

The community councils may well need to carry out their own equalities impact assessments when doing this and support will be provided to them to do this, where needed.

Children and Families (Wales) Measure

N/A

Wellbeing of Future Generations (Wales) Act 2015

There will be minimal or no impact on this Act, from this decision. Common services are mainly discretionary and are not integrated into our wellbeing objectives. Ceasing the grant will provide more clarity on decisions taken by community councils affecting their precepts and services provided from that funding source.

In terms of the five ways of working the Council remains committed to working in partnership with the Community Councils, The issues around the distribution of this grant, including potential cessation, have been discussed in community council liaison meetings. All community council clerks / chair's will be given sight of this report when distributed to Councillors and they can feedback to ward members as needed who can, in turn, pass on those comments through the formal decision making process for Cabinet Member decisions.

Crime and Disorder Act 1998

N/A

Consultation

As noted in the report, the issues and options here were consulted with community councils themselves who expressed a preference for a way forward. Details are contained within the report.

Background Papers

Streetscene, Regeneration and Safety Scrutiny meeting – October 2016

Dated: 19 November 2018