
TOWN & COUNTRY FINANCIAL ISSUES GROUP (TACFIG)

1 SUMMARY

- 1.1. This report appraises Members of progress made to date by TACFIG and seeks approval to the proposals for future liaison with other bodies.

2 RECENT ACTIVITY

- 2.1. TACFIG has made a formal response to the Government Green Paper "Modernising Local Government Finance". The Council's own response to the Green Paper fully supported the TACFIG comments.
- 2.2. Following the submission of the response, TACFIG was invited to send representatives to meet Department of the Environment, Transport and Regions (DETR) officials to discuss the main issues. The Corporate Director (Finance and External Services) was one of the representatives.
- 2.3. It was clear from the meeting that the main proposal from TACFIG for a standard level of grant of £250,000 for all authorities in order to implement Government initiatives was receiving very serious consideration.
- 2.4. It would appear that plan based funding is being questioned, but the concept of Public Service Agreements, where grant is given for reaching specific output targets, is a favoured option. TACFIG expressed concern that, whilst this type of scheme was being trialed, District Councils were excluded from participating at this stage.
- 2.5. Members will recall that, at the time TACFIG responded to the first phase of consultation on options for local government finance, the Shire District Initiative put forward a proposal that there should be a self regulating community for grant distribution for Shire Districts. Rochford was very much opposed to this concept.
- 2.6. This was discussed at the meeting. There seems to be an acceptance that there should not be a self -regulating community. Officials are, however, attracted to the idea of there being a single block of grant for Shire Districts, and Districts being involved in helping to determine how it is allocated.
- 2.7. The Town and Country All Party Group of MP's has now been officially registered. The Group also responded to the finance Green Paper on the lines of the TACFIG response.

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- 2.8. TACFIG has been holding liaison meetings with other groups, these being:-

Shire District Initiative
Most Sparsely Populated Councils Group
Urban Shires Group
Society of District Council Treasurers
Local Government Association.

The purpose of these meetings is to identify as much common ground as possible in order to ensure a consistent message going back to Government.

3 THE WAY FORWARD – KEY DECISIONS

- 3.1. A steering group meeting of TACFIG was held on 15 January in order to discuss the strategy following the meeting with DETR.
- 3.2. Three specific issues need to be addressed. The steering group will make recommendations to the TACFIG Members' meeting to be held on 15 February.
- 3.3. The first issue is to what extent TACFIG should continue to liaise with other groups. The main problem is the suggestion of Districts having a voice on the method of distribution of a District-wide grant allocation.
- 3.4. Whilst TACFIG does not necessarily support this concept, there is no doubt it is receiving serious consideration, to the extent that the Shire District Initiative has been asked to do more work on the issue. The steering group is of the view that we must have an input into these discussions in order for our particular problems to be properly addressed. If we stay out, and the concept is eventually agreed by Government, we could have a system similar to that now in place, which badly serves our type of authority.
- 3.5. The Shire District Initiative has made a request to other groups to share the cost of research on various issues.
- 3.6. The steering group is of the view that this could be considered provided the research being carried out is something we would have been required to do to present our own case,
- 3.7. The steering group is mindful of the good impression that TACFIG has created with Ministers and Civil Servants. We must not allow ourselves to become too aligned with any activity that might then reduce our current level of impact.
- 3.8. The third issue is that of Public Service Agreements. TACFIG did promote the concept of a small proportion of the SSA being plan based. Government does seem to be moving away from this,

preferring Public Service Agreements. TACFIG needs to decide whether or not to accept this concept and become actively involved in research and promoting the case for Districts.

- 3.9. The steering group will be recommending that TACFIG should be actively involved in promoting Public Service Agreements for Shire Districts. Taking this stance ensures our continued involvement in all aspects of local government finance issues. It also helps to ensure that Districts do not become “sidelined” and regarded as minor players in the debate.

4 RECOMMENDATION

It is proposed that the Committee **RECOMMENDS**

That the suggestions of the steering group be supported.

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