



Bournemouth, Christchurch and Poole Shadow Executive Committee

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Report Subject	Parliamentary Orders Update
Meeting date	7 November 2018
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Status	Public
Classification	For information and decision
Key Decision	No
Executive summary	<p>This report provides an update to the position outlined in the report to the Committee on 13 September 2018.</p> <p>A number of statutory instruments, or orders, are required to be made within the next six months or so to provide for the transfer of functions and other associated issues necessary to enable local government reorganisation to take effect.</p> <p>These orders will amend and supplement existing orders in force which date predominantly from 2008/9. The existing orders require amendment and update to take account of intervening legislative changes, and to ensure specific issues relevant to current re-organisations are taken account of.</p>

	<p>There will be three further orders: one relating to financial matters; one setting out the proposed electoral arrangements following the boundary review and one which will make amendments to legislation and transitional arrangements that are specific to Dorset.</p> <p>By way of letter dated 17 October 2018 the Minister has outlined an approach to Council Tax Harmonisation which provides for local choice within a broad framework. There is an opportunity for the Shadow Executive Committee to provide further comment on this proposal before it is incorporated into the Finance Order should it so wish by the 8 November 2018.</p>
Recommendations	<p>That the Shadow Executive Committee</p> <ol style="list-style-type: none"> 1. Notes the progress made to date; and 2. Approves the suggested response, as set out in Appendix B, to the Governments proposed principles for Council Tax Harmonisation.
Reason for Recommendations	To provide the Shadow Executive Committee with the opportunity to consider and make comments on the progress and timetable.

Background detail

1. There are a number of existing statutory instruments in force which were made to facilitate previous local government reorganisations, predominantly in 2008/9. These are in force and provide the basis for the transfer of functions, however they require amendment to ensure they are up to date with the current legal framework and updating to deal with specific issues relating to this particular local government re-organisation.
2. As previously reported, the initial work focused on a miscellaneous order which amends and updates the existing orders. This Order – The Local Government (Structural Changes) (General) (Amendment) Regulations 2018 - No. 930 – into force on the 5th September 2018.
3. Work is now focused on the other orders. The Finance Order will be laid before Parliament in November, and come into force at the turn of the year. This Order will cover Council Tax Harmonisation and additionally will make some amendments necessary to existing legislation to facilitate the transfer of functions to the new councils.

4. The other orders will be one setting out the warding and electoral arrangements following the boundary review; and an affirmative order covering issues relating to the civic matters and establishing charter trustees. This final order will also deal with any remaining matters which need to be resolved.

Finance Order & Council Tax Harmonisation

5. The Finance Order which is due to be drafted by the end of November will set out the Government's final parameters within which the new BCP Unitary Council will need to work to harmonise its level of Council Tax.
6. In support of this process Rishi Sunak (Minister for Local Government) wrote to Cllr Janet Walton in the capacity of Chair of the BCP Shadow Executive, the local MPs for the area and the leaders of the predecessor councils on the 17 October setting out the approach the Secretary of State is minded to adopt. **Appendix A** to this report includes a copy of this letter. In essence the Government is minded to provide for a fully harmonised council tax to be set by the start of the eighth year (2026/27) at the latest.

These provisions will allow the BCP to implement its previously stated local preference of;
 - a) Ensuring that no Borough's Council Tax levels will rise at a rate exceeding the Government's referendum limits; and
 - b) Includes freezes and/or reductions to the absolute level of Council Tax paid by Christchurch residents.
7. The Government's proposals are now open to a period of comment and representation which closes on the 8 November 2018. **Appendix B** attached presents the suggested response of the Shadow Executive.
8. The *current* Council Tax Harmonisation financial planning assumption as set out in the draft BCP Medium Term Financial Plan (MTFP) can be listed as;
 - 1) Adjustments to the current Band D council tax rates of the three predecessor councils will be made to reflect the creation of two new Town Councils in Christchurch and the transfer of the mayoral function to Chartered Trustees in both Bournemouth and Poole and to the new Christchurch Town Council in Christchurch.
 - 2) The Governments referendum limit will be 2.99% in 2019/20 and 1.99% annually thereafter.
 - 3) Poole's Council Tax (*as adjusted for 1*) will rise in line with the Government's referendum limit.
 - 4) Christchurch's Council Tax (*as adjusted for 1*) will be frozen until the Poole's Council Tax catches up.
 - 5) Bournemouth's Council Tax (*as adjusted for 1*) will increase by slightly less than the annual referendum limit to ensure it catches up with Christchurch's level of tax in the same year as Poole's.

- 6) Any increases in the Government referendum limit, higher than those currently assumed, will reduce the period of harmonisation.
9. Given these assumptions **Appendix C** sets out the details of the arrangements for harmonisation which would be achieved in 2025/26. It should be stressed that these estimates are based on a number of provisional or notional figures which will be subject to further work/processes before they can be finalised. In establishing their proposed parameters the Government have sought to strike a balance between ensuring council tax payers do not experience a large increase in bills and not allowing residents in any one part of the area to be concerned that they are effectively contributing more to the cost of services than others in the area.
10. It will be a matter for the Shadow Authority as part of its February 2019 budget report to determine its final council tax for 2019/20 within the Governments final parameters.
11. In addition to the provisions relating to Council Tax Harmonisation the Finance Order will contain various technical amendments to the previous orders, and any additional provisions to enable the transfer of functions from the existing councils to the new unitary on 1 April 2019.

Affirmative Order

12. This Order will make amendments to legislation and transitional arrangements that are specific to Dorset.
13. It is anticipated that this Order will be laid before Parliament in January 2019 to be made and in force by mid-March 2019. Preparatory work is ongoing and officers have attended a meeting with MHCLG officials to discuss various legal and technical aspects of the proposed Order to ensure all issues highlighted by the preceding councils are covered. As the Order is being made under the affirmative procedure, it will need to be debated and approved in both Houses – as happened with the Structural Changes Order.
14. The Order is likely to include provisions relating to the following, and may include additional matters depending upon any legislation that has been passed since 2009.
 - a. Amendments to the definition of the area of the Fire and Rescue Authority, and transitional provisions for membership and appointments;
 - b. Any amendments required to the Police Area as defined in legislation – to provide for reference to the new councils, and transitional membership arrangements;
 - c. Amend areas and appointing bodies for the Valuation Tribunal
 - d. Port Health Authorities and Harbour Authorities– amend references to councils as required;
 - e. Specify Dorset Council as Pension Fund Authority;

- f. Provisions to deal with any market rights to be vested in the new councils;
- g. Provisions as required to amend legislation as necessary in respect of the Lord Lieutenant and High Sheriff;
- h. Provisions to establish Charter Trustees and deal with civic functions and assets.

Summary of Legal Implications

- 15. The orders referred to in this report will be legally binding on the existing and future councils.

Summary of Financial Implications

- 16. A financial strategy which harmonises council tax at the average level of the three preceding councils would produce a more financially sustainable organisation. Such a strategy would generate an estimated £1.5m extra in Council Tax revenue in 2019/20, or £12.3m extra across the four years of the BCP Medium Term Financial Plan. This would clearly better position the authority to support future service delivery.

Summary of Human Resources Implications

- 17. There are no specific HR implications arising from the proposed new orders.

Summary of Environmental Impact

- 18. None arising directly from this report.

Summary of Equality and Diversity Impact

- 19. In terms of the equality duty, the councils will have to comply with the orders, which will be made in accordance with parliamentary process which includes relevant equalities act considerations.

Summary of Risk Assessment

- 20. In regard to specific risk assessments – there are no specific risks arising from the proposed orders which require highlighting at this stage. The orders assist the councils in mitigation operational risks by enabling a transition period during which policies and plans can be reviewed and harmonised in a considered and appropriate manner following the establishment of the new councils.

Background Papers

None.

Appendices

Appendix A: Letter from the Minister for Local Government in respect of Council Tax

Appendix B: Letter to the Minister for Local Government Rushi Sunak

Appendix C: Council Tax Model