

SB/JG/100317/ALL PARISH COUNCILS

10 March 2017

To all parish and town councils

Dear Colleague,

PARISH PRECEPTS

In December the government decided not to extend council tax referendum principles to any size of parish or town council for the 2017/18 financial year.

This was a direct result of extensive advocacy by NALC on your behalf to ensure councils continue to have the freedom and flexibility to set budgets according to local needs and priorities.

I very much welcomed this decision given the important and indeed growing role our councils play in communities and local democracy and I am pleased the secretary of state acknowledged this in his statement to the House of Commons and has listened to the sector's concerns.

However the decision is very much a deferral and the government has issued a clear challenge to the sector to demonstrate restraint.

This point was reiterated to me in a letter from the local government minister which we circulated through the chief executive's weekly bulletin, but given the importance of this issue I wanted to draw to your attention again some of his key points:

- Following careful consideration of responses to the technical consultation the government decided to defer the setting of referendum principles;
- The government has issued a challenge to demonstrate restraint when increasing precepts that are not a direct result of taking on additional responsibilities and will monitor the sector's response to the challenge;
- Deferral can be revisited and government is prepared to consider ways in which large increases can be made more transparent to local tax-payers;
- Stressing the importance of all parishes making effort to comply with existing transparency code publication requirements;
- Thanking NALC and the sector for the constructive engagement during the technical consultation;
- Reiterating how much the government values parishes increasing role in service delivery.

Just this week the minister was interviewed for the forthcoming Spring edition of LCR and it is clear parish precepts remains very much a priority as he took the opportunity to restate his

challenge to the sector to demonstrate restraint, stressing he had not taken extending council tax referendums to parishes off table, but adding he was also keen to work with NALC to promote other ways to fund local projects. This latter point we will be following up with him as we are keen to help councils by publishing some guidance on income generation.

However in terms of parish precepts themselves, the government's own figures show increases to parish precepts in recent years have been very modest – going up by on average 6 pence per week – and we know this has been a direct consequence of councils taking on additional responsibilities such as services from principal councils, an increase in costs including National Insurance and funding not being passed on for example council tax support funding.

What you can do

While I have no doubt councils will respond positively to the government's challenge in setting precepts for the forthcoming year I wanted to stress the importance of engaging with residents over increases and being transparent about how their money is spent.

On this latter point I want to encourage councils to step up their efforts to explain spending decisions and significant increases in precept in particular.

This may include use of public meetings, newsletters and other publications, the local press such as newspapers or radio, social media including Facebook and Twitter, council websites, notice boards and information sent out with or at the same time as council tax demands.

I am very keen for us to share good practice in this area hence I would be grateful if you could tell us what you are doing so we can promote this more widely.

There are a number of other things we are doing to help councils such as developing good practice on income generation as mentioned above as well as on consultation and we will be publishing these in coming months.

We will of course be continuing to engage with the government to ensure they fully understand what is going on at the local level.

Finally I wanted to take the opportunity to thank you for everything you do. While these are challenging times for local government I am very proud of the role our councils play in improving our communities as I know you are increasingly doing more. Local services remain under severe pressure and I know our councils are often stepping up to the plate taking on new responsibilities and services.

Yours sincerely,

A handwritten signature in black ink that reads 'Sue Baxter'.

COUNCILLOR SUE BAXTER
CHAIRMAN