

Harden Parish Council

Response to 2017/18 Local Government Finance Settlement

Question 4: Do you agree that referendum principles should be extended to larger, higher-spending town and parish councils in 2017/18 as set out in paragraphs 3.3.3 to 3.3.4?

Harden Parish Council does not agree with the proposals to extend the referendum principle to larger town and parish councils. Town and Parish Councils receive no financial support from central government or the business rate and depend almost entirely on the local precept. They are therefore totally accountable to the local electorate who can express their concerns at the ballot box every four years.

In many cases the costs of holding a local referendum to ask local people if they support an increase in parish spending will run well into thousands of pounds, often wiping out the proposed increase. Capping goes against the Government's commitment to devolution and localism and is an affront to local democracy.

We suggest that the main pressure on all parish and town council budgets is around taking on responsibilities from their principle authorities because they are themselves constrained by the 2% cap. As the Government is proposing an exemption for the cost of transferring responsibilities, capping the rest of a local council's budget is, in the words of NALC, a sledge hammer to crack a nut.

Question 5: Do you agree with the proposed approach to take account of the transfer of responsibilities to town and parish councils as outlined in paragraph 3.3.5?

If the Government decides to introduce precept capping, this provision is essential to ensure that budgets for the transferred services are not effectively capped twice. However, it is a pointless exercise in circular financing when the principle council could continue to provide the service if it had not been capped. Devolution arrangements between individual town and parish councils and their principle authorities should be a matter for local determination.

Question 6: Do you agree with the suggestion that referendum principles may be extended to all local precepting authorities as set out in paragraph 3.3.6? If so what level of principle should be set?

Harden Parish Council does not support the introduction of capping of smaller town and parish councils. The sum of money raised would not cover the cost of the referendum and would be seen by local tax payers as wasteful. In our case, a 2% increase would raise approximately £240 and a referendum would cost £4000. If the Government was minded to go ahead with capping small councils the use of a fixed sum rather than a percentage figure makes more sense.

The document alleges without evidence that 'increases in these precepts continue to concern local tax payers and [the Government] is therefore prepared to consider extending referendums to all parishes. 'Until such evidence, as opposed to anecdotal comment, is available, we see no reason to cap small councils.

Question 7: Do you have views on the practical implications of a possible extension of referendum principles to all local precepting authorities as set out in paragraph 3.3.7?

The practical implications are included in our comments above.