

DRAFT RESPONSE SERVICE

As part of the Rural Opportunities Bulletin, RSN will regularly provide concise potential responses to key current consultations. These are not intended to be definitive or to reflect the views of RSN and may include potentially opposing responses to reflect different views designed to assist individual organisations in compiling their own response. We do however recognise the pressure members are under and we hope this service will assist.

Local government finance settlement 2017 to 2018: technical consultation – Department for Communities & Local Government consultation (Section 3.3 only)

This consultation seeks views on a range of technical issues concerning the 2017 to 2018 local government finance settlement. The consultation has 2 principal sections:

- the distribution of central resources
- changes to local resources

This consultation closes on 28 October 2016.

<https://www.gov.uk/government/consultations/local-government-finance-settlement-2017-to-2018-technical-consultation>

Section 3.3 of the consultation document deals with ‘Council tax referendum principles for parish and town councils.’ This proposes to introduce referendums for Local Councils seeking to raise precepts for 2017/2018 by more than 2% or £5 (which is the greater). The proposal is to cover Local Councils with a Band D precept higher than £75.46 and with a precept in 2016/2017 over £500,000. Views are also being sought on the concept of extending the requirement to other Local Councils.

This Draft Response suggests possible responses to the proposals contained in section 3.3 of the consultation document.

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?

Draft response: No. Local councils are an important part of communities and local democracy and should be able to get on with the job of improving quality of life and well-being without central government interference. It is vital that local councils continue to have the freedom and flexibility to raise the resources they need to invest in local services, especially at a time when they are taking on services and assets from principal councils, often much valued services which would otherwise cease completely and which communities want to see continue.

Many local councils are doing excellent jobs improving their areas whether by building community resilience, increasing house building through neighbourhood planning, providing local transport solutions, supporting the local economy and businesses, organising community events and festivals, helping meet social care needs and making places dementia friendly or giving grants to help local groups and organisations.

The proposals will potentially lead to the stifling of localism which has been recognised as a key driver of local growth and sustainability for many years and would be a retrograde step.

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?

Draft response: The need to recognise increasing levels of services provided by local councils is fully endorsed. However, it is incorrect to assume that in all cases this will be achieved by negotiation

and agreement and will be recorded in the manner set out in paragraph 3.3.5. In many cases principal authorities are faced with having to reduce services across wide areas and it may not always be achievable to negotiate with each local council in each locality. If this proposal is implemented, therefore, a much wider definition of service transfer will need to be established.

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?

Draft response: No. Given their important and growing role, local councils should be celebrated and supported, not hindered by central government. Government should be focussed on assisting local councils to operate effectively, ascertain local needs and deliver efficient services to meet these needs rather than any arbitrary threshold to cap increased expenditure.

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?

Draft response: The introduction of referendums will be costly and unnecessary exercises for all concerned. Local councils account for just 1.7% of the £26 billion raised through council tax in England (source: National Association of Local Councils) and this level of intervention is unwarranted. The proposals suggested in this consultation are completely out of proportion to any issue which exists. Indeed, there is no evidence presented within the consultation on why such proposals are needed.

Local councils should continue to have the freedom and flexibility to raise the resources they need to invest in the local services which are needed in their area.