

From: Graham Hunt
To: ["LGFConsultation@communities.gsi.gov.uk"](mailto:LGFConsultation@communities.gsi.gov.uk)
Cc: [John Howell MP](#)
Subject: The 2017/18 Local Government Finance Settlement - Technical Consultation - Thame Town Council response
Date: 26 October 2016 11:29:00

As Town Clerk of Thame Town Council, I am responding on behalf the Town Council. The response has been reviewed by the Budget Working Group and shared with all Councillors / Officers for input. The short timescale of the consultation means that the latter stages (when all evidence has been gathered) do not overlap with a scheduled meeting of the Council, but this response will be reported as submitted at the 1/11/16 meeting of the Policy & Resources Committee of Thame Town Council.

Key points:

a) The answers to questions 4, 5, and 6 of the consultation are NO, NO and NO for the reasons that follow.

b) Fundamentally, given the relatively small size of Town and Parish Councils, and their incredible level of service provided to their communities in proportion to their cost, the application of referendum principles (especially using similar parameters to larger Shire Districts) is not appropriate.

c) We are proud of the fact that Thame Town Council each year sets a level of precept to deliver the projects, functions and services that the community wants, at a price that the community is prepared to pay, fully discussed with the community it serves.

d) Parish and Town Councils already consult with their communities on individual key projects, functions and services via newsletters, social media, forums, community involvement in working groups, access to decision making meetings etc etc all of which are virtually zero cost. There is no necessity to consult again via a costly referendum.

e) The parish precept paid, by the average individual is less than three quarters of one percent of their overall tax burden, so limiting any increase in that 0.75% of their tax burden will have a negligible impact on the individual, while having a significant impact on the projects, functions and services provided to that individual by the Town Council.

f) In the case of Thame, a 2% / £5 limit would mean a maximum increase of around £22,000 in the precept. (Much less than any Shire District – even for Breckland they would get £200,000 for a £5 increase in Council Tax). The already agreed 1% increase in staff costs and the cost of any referendum (which would need to be included in the 2% / £5 budget) would use up most of that increase. Our district council estimates the cost for a referendum in Thame to be “in the region of £8,000 and £8,500”. A more sensible absolute limit for parishes, if such a limit is needed, would be 30p a week on a whole household, which equates to around £16 per annum. A skate park costs the same whether it is in a parish or district.

g) The adoption of referendum principles, given the way that the question and publicity rules are defined, is in effect a cap. We leaflet dropped every house recently with regard to threats from the Local Plan, which generated a 10% reaction, but it will be very easy for a larger proportion to vote no in a referendum, without realising the full facts. Any referendum will almost certainly result in the lower 2% / £5 being adopted.

h) Thame already actively consults with its residents on a project by project basis – e.g. Elms Park improvements, new Skate Park, Vibrancy & Vitality study, Neighbourhood Plan etc etc. Similar projects would almost certainly have to be abandoned in the future, as they would have limited chance of being able to be funded by the community.

i) Overall, this would terminate localism at its most local level. Government should be assisting Town and Parish Councils, not hindering them.

Supporting points:

j) Although critical to Town and Parish Councils, I do not recall seeing any direct notification to parishes of this consultation, so please do not use the number of responses from parishes in any statistical capacity (or precept increases beyond proposed thresholds in 2017-18) to criticise any lack of response (restraint). Not all parishes will be aware.

k) Comparison with a District Council is meaningless, as they provide different services, have other income sources (e.g. New Homes Bonus, Revenue Support Grant / Business Rates) and may well have already devolved many services to their parishes.

l) 25% of Thame Town Council's staffing resource is already working on functions that should be executed by District / County Councils. Some have been planned take-ons – grass cutting, parking enforcement (more efficiently than the County Council because we are closer to the community and understand their needs better), while others have been to fill a gap – e.g. tourist information, spatial/infrastructure/transport planning in relation to the Neighbourhood Plan, grit spreading / hedge trimming in town.

m) The relatively small size of town and parish councils means that they do not have fat to cut. We have 15 Full Time Equivalent resources. The loss of any one individual would mean a significant cut in direct service provision. And that would be required if say there was another cost factor outside of our control (like CTRS removal last year, or NI increase last year) – or a project that must happen – e.g. renewal of the Thame Neighbourhood Plan to reflect a new Local Plan.

n) The implementation of Referendum Principles for Districts / Counties / Unitaries was, if we remember correctly, to ensure no back door approach to negating government austerity on those bodies. As parishes have no source of revenue from Government, that reason cannot exist.

o) It is recognised that some flexibility may exist where there is agreement with the District or County Council. But experience is that such agreements are difficult to pin down. Also, those bodies are independent of the Town Council. It's akin to a corner shop having to seek approval from a nearby supermarket to increase its product line, or the local town football team to agree spend on new kit with the nearest football league side.

p) 50% of Thame's cost increase last year (i.e. around 5%) was directly through the withdrawal of the final portion of the Council Tax Support Grant by the District Council and the increase in Employer National Insurance required by Government. The rest was to ensure protection of Thame's renowned Neighbourhood Plan (as the District Council / Planning Authority no longer have the required resources to do so), the continued vibrancy and vitality of Thame (to benefit businesses, although all income comes from the domestic rate payer), the recruitment of an apprentice (at Government

behest) and to take on further services from the District / County as they fell by the way side (road closure costs for events, speed surveys costs, bus subsidies etc etc). I attach the press release as issued to explain.

q) The increase in Thame's precept last year generated one formal complaint and one question at the Annual Town Meeting. They were driven by the fact we consistently said in all our discussions with the community that the impact was 24p per week, rather than using the less meaningful 9.9%. A large percentage on a low base is still a low real figure. We have had 20 times as many complaints about the Highways Authority allowing weeds to grow in the streets.

r) One additional resource at Thame would require a precept increase of around 6% on its own – three times the referendum principle limit. At even the smallest shire district they could add 5 resources and still stay within the referendum principle limits. It is meaningless to apply the same effective absolute limits to such different scale organisations. And given the variety in scale of all parishes it is meaningless to apply the same limits to all parishes. This solution is inappropriate in the parish sector.

s) When the referendum principles were implemented for Districts / Counties / Unitaries, there was a transition fund provided to ease the impact. There seem to be no plans to similarly assist parishes

t) The nature of parishes is that one off projects sometimes lead to temporary increase in underlying precept. This proposal does not effectively allow for that. It could, if say (higher) limits were set as an average over a number of years.

u) One item already proposed for next year is the provision of an around town hopper bus, to give more transport choices to existing and new residents of Thame, as the regular bus services from outlying villages disappear. Another is to provide parish funding for the Children's Centre and Day Centre which are no longer being supported by the County Council. It is up to the residents of Thame (led by the Town Council supported Thame Alliance Group) to decide that. The proposals state that it would be up to the County Council to resolve. How can a County Council that has decided to discontinue a service resolve that another body takes it on? All of those projects for 2017-18 would be threatened – and probably abandoned if referendum principles were to apply.

v) The parameters to be imposed seem to be suggesting yet another banding of Town and Parish Councils. There are already different bands for audit and transparency, and different again proposed for ombudsman authority. If a band is to be imposed in this case, it should be as for those with turnover in excess of £6.5m.

w) If precept increases are excessive, our existing democratic process provides a mechanism for change through the ballot box.

x) There may well be more acceptance to limits on the precept, if a sensible share of the business rate is made available to parishes as opposed to the current (and planned) 0%.

y) At a recent County Association meeting, a DCLG officer stated that for every £1 spent by town and parish councils, £3-£4 of social benefit was created. So why limit it?

z) We understand that the reason for Government concern is an average 6.1% increase on Town and Parish precepts. As the average Band D precept is £57.40, that

6.1% increase is around £3.50 per year, or 7p per week, on a whole household. And with the 2% increase allowed, the impact is in fact less than 5p per week. And not all of the country is parished. Is there really a problem to be solved?

Finally to answer question 7, the proportionality of this proposal is completely out of kilter with any reported problem, and its implementation would lead to direct and unnecessary increased cost to the community. We urge you to concentrate on the issues that really affect our communities, like provision for the youth, the elderly and the sick and ensuring appropriate infrastructure for the massive housebuilding programme currently underway. Parishes could help more with all that, if they were not unnecessarily restricted. What is proposed will clip the wings of the most forward thinking and innovative part of local government.

Regards

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