

**September 2010 - Local Referendums to Veto Excessive Council Tax Increases:
Sproughton Parish Council responds to a government consultation paper.**

On 30th July the Department for Communities and Local Government announced that it intends to introduce legislation "at the earliest opportunity which will give residents the power to veto high council tax increases". This also applies to Parish Councils, which are defined as 'Local Precepting Authorities' - explained [here](#):

On Parish Precepts, the government says that "it is right that Parish Councils should have the resources they need to support neighbourhoods and local communities. However it is also right that council taxpayers are protected from excessive increases".

The Government will introduce legislation requiring any Parish Council which sets an excessive precept increase to hold a referendum of all registered electors. The definition of 'excessive' will be set by the Secretary of State each year by means of the so-called "Principles", which are: (i) what constitutes an excessive increase in the precept, and (b) a 'de minimus' level of absolute cash increase: if a Parish Council sets an excessive percentage increase which is actually very small in cash terms ('de minimus') then no referendum will be necessary.

Parish Councils will be free to hold referenda at any point after the annual Principles have been set by the Secretary of State (predicted to be in January/February each year) but referenda must take place no later than the first Thursday in May. If more than one referendum is required in the same geographical area, then a single referendum will take place within that area - (implying that residents may have to travel to vote).

It seems that Parish Councils will have to pay the cost of any referenda. There will be no minimum requirement for voter turnout and a simple majority of those voting will be sufficient to determine the outcome of the referendum. If a majority vote against an excessive increase, the Parish Council would immediately adopt a 'Shadow Budget', inform the Secretary of State of the outcome of the referendum and explain to council taxpayers the process for repayment of money where appropriate.

Sproughton was required to send our opinions to the Department of Communities and Local Government by 9th September. Having consulted some residents and held an Extraordinary Parish Council meeting on 1st September, the response that we sent off in September can be viewed by clicking [here](#).