

Appendix A
Strategy & Performance

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Dear Jasna

CONSULTATION – LOCAL REFERENDUMS TO VETO EXCESSIVE COUNCIL TAX INCREASES

Thank you for the opportunity to respond to the government's draft proposals on this matter. Our observations are set out below.

Cost – It is critical that *all* costs incurred in the operation of a referendum, *and any costs arising from it*, are borne in full by the precepting authority whose action prompts the referendum. The consultation paper addresses this in part, but we would argue that this needs to be more strongly worded – for example, costs to be covered should include any costs of rebilling; cashflow from lost interest payments; staff time and possibly the opportunity costs from not being able to carry out other work that would have been done had a referendum not been called. Where the billing authority itself has prompted the referendum, the costs would obviously be borne by that authority.

Timing –. Though it would clearly make financial sense for any referendum to be held on the same day as other local elections scheduled in the year in question, there is some scope for public confusion if the referendum relates to one precepting body when the election being held is to a different body. Given the government's intention to introduce directly elected Police Commissioners, this is not a problem unique to two-tier areas.

Parish and Town Councils – Although in principle it may make sense for these bodies to be included, we have significant doubts as to the practicalities of their inclusion and the benefit to be gained from this, given that in most cases, the precept amounts are comparatively small. The proposal that there should be a de minimis level under which the referendum would not be required is therefore welcomed – that level needs to be set at a realistic level. We would also have concerns at how the cost of a referendum for a parish area might be funded – though such a referendum would only cover the parish in question, the costs of administration and the wider billing costs would still be significant, and these should still be the responsibility of the precepting parish invoking the referendum.

Head of Strategy & Performance - Stephen Bray

Other Issues – We welcome the acknowledgement in para 9a that different principles would be adopted for different categories of authority. Those principles should recognise that a crude percentage approach to the issue can often override basic common sense – a 4% rise in a district council precept represents a comparatively small demand in cash terms (often measured in pence per month) compared to a similar demand from a precepting County Council. The public may well wonder at whether value-for-money is really being secured from the public purse if a district (or indeed a parish) council is forced to hold an expensive referendum over such a comparatively small amount of money.

There are some basic practical issues which may need clarification. For example, the consultation document seems to suggest that poll cards for referendums might be distributed with Council Tax bills. This would mean that the referendum would be held on the basis of an out of date electoral register since it would not include the changes made for the April register under rolling registration.

It is administratively less burdensome for the poll card printer to despatch the poll cards rather than receive them back and re-order them into households for inclusion with the council tax bills.

Early publication by the Secretary of State of the principles applying to each authority will be important to allow authorities to consider their options. This really should at the very latest be coincident with announcement of the provisional Local Government Finance report.

I hope these comments are helpful.

Yours sincerely

Stephen Bray
Head of Strategy & Performance