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Parish and town councils: recent issues

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Summary

This note addresses a range of recent issues affecting parish and town councils. It includes an explanation of what they are and their place in the local government structure; the powers they can exercise; how they may be established and abolished; and how complaints about them may be pursued.

This note applies to England only.

1. Parish councils

1.1 What are parish and town councils?

Parish and town councils are the tier of local government that is closest to the electorate in the UK. Collectively, they are often referred to as 'local councils'. County, district and unitary authorities, by contrast, are often referred to in legislation and guidance as 'principal authorities'. Parish and town councils are represented by the [National Association of Local Councils](#) (NALC), and by county-based associations.

Parish councils may resolve to call themselves 'town',¹ or 'neighbourhood', 'community', or 'village' councils.² A number of parish councils for areas which have been granted city status by royal charter are known as 'city councils' (e.g. Salisbury, Truro, Ripon). This is known as the 'style' of a council. It has no effect on the status or legal powers available to the council. The chairman of a town council, or a city council which is a parish council in law, may style him- or herself Mayor.

Elected parish and town councils were first established by the *Parish Councils Act 1894*. This Act removed all non-ecclesiastical functions from church parish councils and passed them to newly-established local elected bodies, which became known as 'parish councils'.³ The [Local Government Act 1972](#) entirely restructured local government within England and Wales, and it provides the legal foundation for the existence of today's parish and town councils. Large parts of the 1972 Act have now been superseded with regard to principal authorities, but it still governs much of the workings of parish and town councils.

1.2 Where do parish and town councils exist?

In total, there are some 9,000 parish councils in England, some 730 community councils in Wales, and some 1,200 in Scotland. Parish councils cover only some 25% of the population of England: historically they have not existed in urban areas.⁴ It is not unusual for elections to parish councils to be uncontested, and for members to be co-opted where the number of candidates is fewer than the number of seats available.

No part of England is obliged to have a parish council. The [Local Government Act 1972](#) requires a parish meeting to take place in all parishes. A parish meeting is a distinct legal entity from a parish council. It must hold two meetings per year, one of which must take place between 1 March and 1 June.⁵ A parish with a population of over 300 may choose to constitute a separate parish council – but it is under no obligation to do so. Where a parish council exists, the parish meeting

¹ See [Local Government Act 1972](#), section 245 (6).

² See [Local Government Act 1972](#), sections 12A and 17A, inserted by the *Local Government and Public Involvement in Health Act 2007*.

³ See K P Poole and Bryan Keith-Lucas, *Parish Government 1894-1994*, NALC, 1994, pp31-37.

⁴ See <http://www.nalc.gov.uk/about-local-councils>.

⁵ In practice this obligation may be disregarded, and there are few sanctions available if a parish meeting is not held.

must still take place, once a year between 1 March and 1 June; and the parish council must meet, separately, at least once per year.⁶

Parish councils mainly cover rural parts of England. There are a number of localities, principally in large urban areas, which have never had parish councils (or ecclesiastical parishes). Inner London (the area of the former London County Council) historically had no parish councils, and parish councils were not permitted in Greater London between 1935 and 2007.

1.3 Charter trustees

Charter trustees are established under section 246 of the [Local Government Act 1972](#). They are established in towns and cities which have a Royal Charter but which have lost their status as local government entities in previous local government reorganisations. They are a residuary category, with only sixteen remaining.

Where a new parish or town council is established for an area with charter trustees, the new body takes on their role and the charter trustees are discontinued. The most recent example of this is Macclesfield Town Council in May 2015.

1.4 Differences between parish councils and principal authorities

A number of provisions familiar from English local government legislation covering principal authorities do not cover, or apply differently to, parish and town councils:

- The legislation regarding executive arrangements (mayors / cabinets) and overview and scrutiny in the [Localism Act 2011](#), originally introduced in the *Local Government Act 2000*, does not apply to parish councils;
- The requirements for committees to be politically balanced, in the [Local Government and Housing Act 1989](#), do not apply to parish councils;
- English parish and town councils are not covered by the Local Government Ombudsman (though see section 6.7 below);
- Limited requirements for audit exist for councils with an income and expenditure of under £6.5 million (which applies to all parish and town councils); see the provisions of the [Local Audit and Accountability Act 2014](#). Councils with an income and expenditure of under £25,000 are not subject to routine audit (see section 5 below);
- Parish and town councils have not yet been subject to a requirement to hold a referendum on increases in their precept. The Secretary of State, Eric Pickles, has stated in 2013, 2014 and 2015 that he would consider his decision in the light of substantial percentage rises in precepts in the latter year.

⁶ See *Local Government Act 1972*, sections 9-19.

1.5 Scotland, Wales and Northern Ireland

The remarks in this paper apply to parish councils in England unless otherwise indicated. 'Community councils' exist in Scotland and Wales: responsibility for them is devolved.

Welsh parish councils were included in the 1894 legislation which created English parish councils. They were renamed 'community councils' by the [Local Government Act 1972](#). Welsh community councils cover some 70% of the population of Wales, existing throughout the country with the exception of the largest cities. The Welsh Government conducted some research on community councils throughout 2013, which is available on its website.⁷

The activities of community councils are covered by the Public Services Ombudsman for Wales.

Scotland has some 1,200 community councils, established under the [Local Government \(Scotland\) Act 1973](#). Scottish community councils have no defined functions. Section 51 (2) of the 1973 Act specifies that:

In addition to any other purpose which a community council may pursue, the general purpose of a community council shall be to ascertain, co-ordinate and express to the local authorities for its area, and to public authorities, the views of the community which it represents, in relation to matters for which these authorities are responsible, and to take such action in the interests of that community as appears to it to be expedient and practicable.

In 2011, the Scottish Government set up a [short-life working group](#) to examine the future of community councils. This produced a report in 2012, which recommended better sharing of good practice and experience between community councils, and more joint working between them and local authorities.⁸ A [community councils website](#), and a [portfolio of model documents](#), was set up in the aftermath of the working group.

In Northern Ireland, civil parish councils did not form part of the *Local Government Act 1898*, which reorganised local government throughout Ireland. There has therefore never been an equivalent of the directly-elected English parish council in Northern Ireland. No proposals have been made to introduce them in the 2014-15 local government reorganisation,⁹ nor in the preceding one which culminated in the [Local Government Act \(Northern Ireland\) 1972](#).

⁷ See [Community and Town Councils](#), and associated links, on the Welsh Government website.

⁸ Community Council Short-Life Working Group, [Report and recommendations](#), 2012

⁹ For more information on this see the [Local Government Reform](#) page on the website of the Department of the Environment in Northern Ireland.

2. The precept

Parish councils may raise a 'precept' on the council tax bills produced by their local billing authority (unitary authority or district council). This is essentially a demand for a sum to be collected through the council tax system. Council tax-payers cannot refuse to pay it, and the billing authority cannot refuse to levy it. It is the only source of tax revenue available to parish councils.

Historically, parish councils were able to raise a 'rate' from the time of their establishment in 1894: this was linked to their then duties under the Poor Laws. Rates were levied on non-domestic and domestic property until 1990, when the rates were replaced by the Community Charge and the National Non-Domestic Rate. Since then, parishes have precepted on domestic property only, via the Community Charge and then the council tax.

Charter trustees also have the right to precept on their principal authorities. Fourteen set a precept in 2013-14.¹⁰ The Middle Temple and Inner Temple have the right to precept upon the City of London.

In 2014-15, data on parish precepts showed that a total of £389 million was collected via the parish precept (including Charter Trustees and Temples). This was 1.6% of total collected council tax. 8,813 parish councils raised a precept. The average precept for 2014-15 on a Band D property was £52.37, a rise of 4.3% compared to 2013-14.¹¹

In 2014-15, the largest amount precepted by a parish council was £1.98 million, and the lowest was £16. The largest amount per Band D household was £318.82 and the smallest 27p. The largest taxbase of a precepting parish was 23,582.1, and the smallest 1.4.¹²

¹⁰ These were: Worksop; East Retford; Bath; Macclesfield; Ellesmere Port; Durham; Grimsby; Cleethorpes; Bexhill; Grantham; Margate; Lowestoft; High Wycombe; and Kidderminster.

¹¹ See the statistical release [Parishes and other local precepting authorities: 2014-15 England](#), 23 July 2014.

¹² The taxbase is the number of households liable for the precept, expressed in terms of Band D households. Households in council tax bands other than D are expressed in terms of the proportion of a Band D bill that they pay, as set in section 5 (1) of the *Local Government Finance Act 1992*. Therefore, for instance, a Band E property counts as 11/9 of a property when counting the taxbase. This is why the taxbases quoted here have decimal points.

3. Parish council powers

Parish and town councils' powers are generally concurrent with (i.e. equivalent to) those of district councils. In practice, most lack the capacity to undertake the provision of public services, and concern themselves with local environmental, community and amenity issues. Some larger town councils have substantial staff teams and may run a number of local facilities. The only power that is available *only* to parish councils and not to other tiers of government is the power to obtain and supply land for allotments if local demand cannot be met.¹³

Parish councils may use the General Power of Competence provided in part 1 of the *Localism Act 2011* (see also Library briefing paper SN/PC/05687, [The general power of competence](#)). A parish council wishing to use the power must formally resolve that it is an 'eligible council'. The qualifications for eligibility are that the clerk has completed a course in local administration, and that at least two-thirds of councillors have been elected (i.e. not co-opted).¹⁴ The general power of competence is available in England only.

Parish councils are entitled to make proposals for changes in legislation under the [Sustainable Communities Act 2007](#) and its successor, the [Sustainable Communities Act 2007 \(Amendment\) Act 2010](#). Initially they were not included amongst the local authorities permitted to do this: this was changed by the [Sustainable Communities \(Parish Councils\) Order 2013](#) (SI 2013/2275).¹⁵

Parish councils may request the 'listing' of an 'asset of community value' under the Community Right to Bid, introduced by the *Localism Act 2011*. Under the same Act, they may also exercise the Community Right to Challenge. Further details are available in the Library briefing paper on [Assets of community value](#) and the [Community right to challenge](#). At the time of writing these provisions apply in England only.

As mentioned, parish councils' only *taxation* power is the precept, but they may raise money from other sources if they so wish. They may accept gifts from parishioners, or raise money from grant-making bodies or Government initiatives. They may set up lotteries to raise funds locally, though they must hold a licence from the Gambling Commission under section 98 of the *Gambling Act 2005*. They may also set up a public subscription for a specific purpose, to be subscribed to by electors in the parish.

Either the parish council itself, or individual parish councillors, may act as trustees for a local charity. This task fell frequently to the 19th century ecclesiastical parish councils, which had a leading role in poor relief. Parochial charities today are subject to charity legislation (including the [Charities Act 2006](#)) and to regulation by the Charity

¹³ See Paul Clayden, *The Parish Councillor's Guide*, 2009, p.11. This power is not available to community councils in Wales.

¹⁴ See the [Parish Councils \(General Power of Competence\) \(Prescribed Conditions\) Order 2012](#) (SI 2012/965).

¹⁵ See also the Library briefing paper [Sustainable Communities Act](#) (SN/PC/04724).

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Commission. Parish councillors who act as trustees must distinguish their role as councillor from their role as trustee, even if they were appointed to represent the parish council on the charity.

4. Creating new parish councils

NALC has suggested that some 200 new parish and town councils have been set up in the last 15 years.¹⁶ Some of these have been established in the wake of the creation of additional unitary authorities in 2007-08: for instance, when a unitary Wiltshire Council was created and Salisbury District Council was abolished, Salisbury City Council, covering a smaller area than the district council, was established. A small number of parish councils have been abolished in the last 15 years.

Both the Coalition Government and the preceding (2005-10) Labour government spoke favourably of parish and town councils. The 2006 local government white paper, [Strong and prosperous communities](#), stated:

We will make it clear that there will be a presumption in favour of the setting up of parish councils so that local authorities will be expected to grant communities' requests to set up new parish councils, except where there are good reasons not to, and that existing parish councils are not to be abolished against the wishes of local people.¹⁷

The Coalition Government's 2013 consultation paper on setting up new parish councils said:

We believe that localism is best achieved when it is led by the local communities themselves. We see town and parish councils as playing a vital role in helping local people to make this happen; it is for this reason we want to support those neighbourhoods who want to set up a parish council.¹⁸

Technical guidance and support for setting up new councils is available from the National Association of Local Councils (NALC).¹⁹

Parish councils do not have the power unilaterally to move from one principal council to another. The town of Yarm held a referendum in May 2014 on moving from Stockton Borough Council to Hambleton District Council in North Yorkshire. The proposal was supported by 1,465 votes to 177 on a 24% turnout. However, such a change would need to be recommended by the Local Government Boundary Commission for England and approved by Parliament.

There have been instances of parish areas, or parts of parish areas, moving between principal councils in the past: but this has normally happened as part of a wider boundary review or a process of creating unitary authorities. For instance, several parishes moved from North Yorkshire into the York City Council area in the 1990s, when York City Council became a unitary authority.

¹⁶ See NALC, "[Queen's Park residents vote overwhelmingly in favour of historic new parish council](#)", 28 May 2012

¹⁷ DCLG, *Strong and prosperous communities*, 2006, p43

¹⁸ DCLG, [Government response to consultation on making it easier to set up new town and parish councils](#), 2013, p.4

¹⁹ NALC, [Power to the people](#), 2010, pp. 38-46; <http://www.createacouncil.nalc.gov.uk/getting-started/>

4.1 Community governance reviews

The procedure to create a new council can be found in the [Local Government and Public Involvement in Health Act 2007](#). Under the 2007 Act, a principal council in England may undertake a 'governance review', either on its own initiative or in response to a petition from local electors (see section 4.2). The governance review must examine whether one or more parish councils should be created, divided or merged in order to ensure that local government arrangements are 'effective and convenient and 'reflect the identities and interests of the community in that area'.²⁰ Guidance was published in March 2010.²¹ The guidance recommends that a community governance review should take place every 10-15 years: thus many reviews can be anticipated during the 2015-2020 Parliament.²²

In conducting the review, the council must consult local electors and any other persons or bodies which are considered by the council to have an interest in the review. The guidance emphasises that councils should take various factors into account, including the impact of community governance arrangements on community cohesion, and the size, population and boundaries of a local community or parish.

The review may recommend that the parish remains as it is; that the area of the parish be altered or merged with another parish; or that the parish council should be abolished. There is no guarantee that submission of a valid petition will result in a new parish.²³ The guidance states that 'clear and sustained' support for any abolition (i.e. over two terms of elected office) would need to be demonstrated.²⁴

4.2 Petitions

A council which receives a valid petition is under a **duty** to carry out a community governance review as requested by the petitioners, **unless** it has already conducted a review of the same area, or of substantially the same area, during the previous two years. Once the review has started (that is, the terms of reference have been published), it must be concluded (i.e. the recommendations must be published) within 12 months.

A petition may relate to *any* area, whether currently parished or unparished, within the geographical limits of the local authority. Principal authorities may themselves implement the outcome of a review by order, provided that they have carried out the required consultation.

Petitions should be submitted to the principal council (the district or unitary authority), and it will be for them to take the matter forward by means of a community governance review. A petition must meet the conditions set out in section 80 of the 2007 Act in order to be valid. It must define the area to which the review is to relate and may include a

²⁰ These phrases are from section 93 (4) of the 2007 Act.

²¹ DCLG/LGBCE, [Guidance on community governance reviews](#), March 2010

²² *Ibid.*, p. 13

²³ *Ibid.*, p. 27-8

²⁴ DCLG, [Community governance reviews: guidance](#), 2010, p.34-5

map. It must specify one or more recommendations which the petitioners would wish a review to consider making. Government guidance explains that those recommendations can be about a variety of matters, including:

- The creation of a parish;
- The name of a parish;
- The establishment of a separate parish council within an existing parish;
- The alteration of boundaries of existing parishes;
- The abolition of a parish;
- The dissolution of a parish council;
- Changes to the electoral arrangements of a parish council;
- Whether a parish should be grouped under a common parish council or de-grouped.²⁵

Minimum levels of **support** for petitions are set out in section 80 of the Act. These were amended in 2015 (see section 4.3 below):

- If the petition area has fewer than 500 local government electors, the petition must be signed by at least 37.5% (previously 50%) of the electors;
- If the petition area has between 500 and 2,500 local government electors, the petition must be signed by at least 187 (previously 250) electors;
- If the petition area has more than 2,500 local government electors, the petition must be signed by at least 7.5% (previously 10%) of the electors.

4.3 Changes to system for establishing parish councils

The Government published a consultation paper entitled [Making it easier to set up new town and parish councils](#) in October 2012. This paper identified a number of concerns with the existing system for establishing parish councils. The consultation closed on 9 January 2013, and the Government published a response on 9 September 2013.²⁶ The following changes were then made in 2015:²⁷

- The petition thresholds were reduced: see section 4.2 above;
- Community groups which have produced a neighbourhood plan will not be required to produce a petition in order to trigger a governance review: they will merely need to submit a 'community governance application';
- Reviews must take a maximum of one year from the receipt of a valid petition (previously the limit of one year ran from the start of the review itself).

²⁵ DCLG/LGBCE, [Guidance on community governance reviews](#), March 2010, para 40

²⁶ See DCLG, [Government response to consultation on making it easier to set up new town and parish councils](#), September 2013; [HCDeb 9 Sep 2013 c39WS](#)

²⁷ See the [Legislative Reform \(Community Governance Reviews\) Order 2015](#) (SI 2015/998). The response to the consultation was published in May 2014: DCLG, [Proposal to use a legislative reform order to set up town and parish councils](#), 2014.

4.4 Creation of new wards

The [Local Government and Public Involvement in Health Act 2007](#) also governs the creation of new wards in parish councils. Under section 90 of the Act, a community governance review may also recommend that a parish council should continue to exist, but that changes should be made to its electoral arrangements. Section 95 specifically requires the review to consider whether wards should be created,²⁸ and that it must consider 'local ties' and boundaries that are 'easily identifiable'. Under section 86 (6) of the 2007 Act, the Local Government Boundary Commission for England must give its assent to any changes in electoral arrangements proposed under a community governance review.²⁹

4.5 Small parishes

There is provision in the *Local Government Act 1972* for the dissolution of the council for a small parish. Where a parish has 150 or fewer electors, the parish meeting may apply to the district or unitary council for the parish council to be abolished.³⁰ There is also a power for parish meetings to apply to the district for two or more parishes to be grouped together under a common parish council, or for existing grouping arrangements to be changed or abandoned.³¹

4.6 Alternatives to parish councils

Principal councils must also consider other (non-parish) forms of community governance when conducting a review. These may be seen either as alternatives to, or stages towards, the establishment of a parish council. The guidance mentions the following alternative forms of governance:

- Area committees;
- Neighbourhood management arrangements;
- Tenant management organisations;
- Area/community forums;
- Residents' and tenants' associations;
- Community associations.³²

4.7 Previous system

Previously, the system of parish reviews was governed by the *Local Government and Rating Act 1997*. Under this Act, a principal council (i.e. a district or unitary authority) could carry out a review and recommend the creation of a new parish or the alteration or abolition of an existing parish. Any recommendations arising from a review were

²⁸ This includes consideration of new wards. In many parish councils, all the councillors are elected in a single ward.

²⁹ DCLG/LGBCE, [Guidance on community governance reviews](#), March 2010, p47-8

³⁰ *Local Government Act 1972*, section 10

³¹ *Local Government Act 1972*, section 11

³² DCLG/LGBCE, [Guidance on community governance reviews](#), March 2010, paras 136-146

made to the Secretary of State, who then decided whether to accept them, with or without modification.

The 1997 Act also permitted local electors to petition for the establishment of a parish, but this could only be done in respect of an unparished area. The principal council was required to forward a valid petition to the Secretary of State along with its own views on the matter and a summary of local opinion. Again, it was for the Secretary of State to decide whether or not to implement the recommendation(s), with or without modification.

4.8 Parishes in London

The 2007 Act reintroduced the power to create parish councils in Greater London, and introduced it for the first time in the former London County Council area. The last parish councils in the Greater London area were abolished in the 1930s following the creation of several new boroughs and urban districts. Since the passage of the 2007 Act, one new parish council has been established in Greater London, in Queen's Park.

5. Complaints regarding parish councils

Constituents may wish to complain about the decisions, the procedures, or the conduct of members or staff of their parish council. There are few remedies available in this regard outside of the four-yearly elections to the parish council. The route to complain depends upon the subject of complaint: there is no single organisation which oversees parish councils. The Government has taken the view that parish councils are accountable to their electorate principally through the ballot box. The most recent Parliamentary Question on the issue of complaints was answered as follows:

Parish councils can put in place their own mechanisms for handling complaints, having regard to a model code of practice produced by the National Association of Local Councils. In addition every elector has the right to raise any matter affecting parish business at the annual parish meeting, and a group of electors has the power to call for a poll on any issue which affects the parish.

Also, where electors consider there has been a possible waste or inefficiency or think that their council has spent money unlawfully, they can refer a complaint to their local district auditor.³³

Though each parish council has a relationship with the district or unitary council in whose area it lies, the district or unitary council has little power of control or direction over the parish council. District or unitary authorities have certain reserve powers over the conduct of elections in parish councils. But in general, it is not possible to have a parish council's decision reversed at a higher level unless it can be demonstrated that the decision is unlawful: like other public authorities, parish councils are subject to action in the courts and judicial review.

Larger parish councils must appoint an auditor. Allegations of financial irregularities in a parish council can be reported to the auditor, who must then decide whether to investigate them. Parish councils with an income and expenditure under £25,000 are not subject to annual audit, but must still appoint an auditor to investigate any allegations. This category of parish councils is also subject to the requirements of the [Transparency Code for Smaller Authorities](#): see Library briefing paper 06046, [Local government transparency in England](#).

The *Localism Act 2011* abolished the Standards Board for England, which investigated allegations of councillor misconduct or failure to declare interests. Under the 2011 Act, local authorities must establish their own standards regime, with at least one 'independent person' whom the authority must consult when investigating an allegation of misconduct. Parish councils too must establish a standards regime, but they may opt in to the one operated by their district or unitary authority. It is for that authority to investigate allegations against parish and town

³³ [HCDeb 29 Oct 2012](#) c45-6W

councillors. Further information is available in Library briefing paper 05707, [Local government: the standards regime in England](#).

The standards regime covers co-opted members as well as elected members. Schedule 2 of the [Relevant Authorities \(Disclosable Pecuniary Interests\) Regulations 2012](#) (SI 2012/1464) lists the categories of pecuniary interests which must be disclosed by members of parish councils. Under section 33 of the [Localism Act 2011](#), parish councils are permitted to grant a 'dispensation' to members to allow them to continue to take part in discussion on an issue in which they have a pecuniary interest.

The Public Service Ombudsman in Wales investigates standards issues for local authorities and community councils in Wales.

Complaints about the behaviour of parish councillors, or employees of the parish council, should be addressed to the chair of the parish council in the first instance.

6. Parish and town councils: recent policy changes

6.1 Council tax support and precept levels

Local council tax support schemes replaced council tax benefit from 1 April 2013. The funding provided for council tax benefit is now passed to local authorities. A side-effect of the ending of council tax benefit was a reduction in the council tax base. The council tax base is the taxable capacity of a given area, normally expressed in terms of Band D properties. Council tax benefit was paid via a cash payment into the individual recipient's account. Therefore, if a resident was in receipt of council tax benefit, this did not change the council tax base.

From 2013-14, the council tax base reflects the **actual amounts** paid by residents who pay less council tax as a result of local support schemes. As a result, the council tax base has decreased in most areas (though not in all: this will depend on local circumstances). Where it has decreased, the same level of parish council precept will produce less revenue, from the same number of properties, than it did prior to 2013-14.

A DCLG consultation in August 2012 stated that the Government was minded to prevent this situation, by protecting the calculation of the precept from the changes in the council tax base caused by localisation. This would mean the amount of precept collected would be unaffected.³⁴ This was supported by a large majority of responses to the consultation.³⁵ However, [the Government response to the consultation](#), published in November 2012, reversed this position.³⁶ Hence, where the council tax base is reduced, parish and town councils now receive less money from the precept than previously.³⁷

The funding for council tax support schemes provided to billing authorities for 2013-14 included a sum in respect of the funding that would be lost to parish councils as a result of this decision. However, the Government did not oblige billing authorities to pass this sum on to parish and town councils.³⁸

From 2014-15, funding for council tax support schemes – and the sums intended for parish and town councils – has been rolled into general local authority grant funding. It is not possible to identify a specific amount which is intended for use for council tax support schemes. Nevertheless, the issue has continued to attract controversy. The

³⁴ DCLG, *Localising support for council tax: council tax base and funding for local precepting authorities*, August 2012, p.12

³⁵ *Ibid.*, p. 7

³⁶ DCLG, [Localising Support For Council Tax: Council tax base and funding for local precepting authorities: Government response to the outcome of consultation](#), November 2012, p.6

³⁷ See the [Local Authorities \(Calculation of Council Tax Base\) \(England\) Regulations 2012](#) (SI 2012/2914).

³⁸ DCLG, [Localising Support For Council Tax: Council tax base and funding for local precepting authorities: Government response to the outcome of consultation](#), November 2012, p. 16

National Association of Local Councils (NALC) has claimed that £40 million of the 2014-15 local government finance settlement was earmarked for parish and town councils, but only £31 million was passed to them by billing authorities.³⁹ Earlier in 2014, Brandon Lewis had stated that the Government's clear intention was that the whole sum should be passed on.⁴⁰

6.2 Parish councils and business rates

In 2014, a formal proposal was made to permit a share of business rates to be directed to parish and town councils. This was made by Sevenoaks Town Council, under the Sustainable Communities Act procedure. Sevenoaks Town Council claimed to have had support from over 400 organisations. The idea recalls the pre-1990 rating system (see section 3 above), under which parish and town council precepts applied to both domestic and non-domestic rates. The proposal was rejected by the Government.⁴¹

6.3 Parish councils and neighbourhood planning

Under the *Localism Act 2011*, parish and town councils may develop a 'neighbourhood plan'. Neighbourhood plans must be in broad conformity with the local structure plan. A neighbourhood plan may be developed in consultation with the community, and it must then be subjected to an examination in public. It is then subject to a local referendum, and if a 'yes' vote is obtained, it will become the land-use plan for the parish area. Neighbourhood plans may also be developed by neighbourhood forums where no parish council exists. Further information is available in Library briefing paper 05838, [Neighbourhood planning](#).

On 10 January 2013, the Department for Communities and Local Government announced that in areas where there is a neighbourhood development plan in place, the parish council will be able receive 25% of the revenues from the Community Infrastructure Levy arising from the development that they have chosen to accept.⁴² Under the proposals the money would be paid directly to parish and town councils and could be used for community projects such as re-roofing a village hall, refurbishing a municipal pool or taking over a community pub.⁴³ Where no parish or town council exists, the guidance states that:

Communities without a parish or town council will still benefit from this incentive, with the local planning authority retaining it

³⁹ See NALC, "[Parishes short-changed by £9 million](#)", 24 October 2014.

⁴⁰ See Kaye Wiggins, "Lewis: pay council tax support to parishes", [Local Government Chronicle](#), 27 February 2014

⁴¹ Ruth Keeling, "Parish council business rates grab rejected", [Local Government Chronicle](#), 26 June 2013

⁴² Department for Communities and Local Government, [Communities to receive cash boost for choosing development](#), 10 January 2013

⁴³ See Library briefing paper [SN03741](#) for further details on neighbourhood planning.

and spending it in accordance with the wishes of the community.⁴⁴

The decision to establish a Community Infrastructure Levy is taken by the principal council, not the parish council. Further details are available in Library briefing paper 03890, [Community infrastructure levy](#).

6.4 Cheques

Until 2014, parish councils were required to make all payments by cheques signed by two councillors. This requirement dated from section 150 (5) of the *Local Government Act 1972*. The [Legislative Reform \(Payments by Parish Councils, Community Councils and Charter Trustees\) Order 2014](#) (SI 2014-580) removed this requirement for both England and Wales.⁴⁵

6.5 Parish polls

The [Local Government Act 1972](#) permits a poll (i.e. a referendum) to be held on any matter at the request of ten electors, or one-third of electors present (whichever is the lower number) at the parish meeting.⁴⁶ Section 42 of the [Local Audit and Accountability Act 2014](#) permits the Secretary of State to amend these provisions by regulations. This followed suggestions that vexatious use was being made of parish polls by local electors with an axe to grind. A consultation was issued in late 2014.⁴⁷

Proposals to change these provisions also formed part of the *Localism Bill 2010-12*, but they were dropped as the Bill progressed through Parliament.

6.6 Electronic agendas

In January 2015, the Government made a Legislative Reform Order covering England, permitting parish and town councillors to receive agendas electronically if they so choose.⁴⁸ Prior to this, the *Local Government Act 1972* required council meeting agendas to be supplied to councillors in paper form.⁴⁹

6.7 The Local Government Ombudsman and parish and town councils

In March 2015 the Government issued a consultation on extending the remit of the Local Government Ombudsman to certain parish and town

⁴⁴ Department for Communities and Local Government, [Communities to receive cash boost for choosing development](#), 10 January 2013

⁴⁵ See the initial consultation at DCLG, [Payments by parish and community councils and charter trustees](#), 2012; and a written statement announcing the decision at [HCDeb 10 Sep 2013](#) c43WS

⁴⁶ [Local Government Act 1972](#), schedule 12 paragraph 18

⁴⁷ DCLG, [Parish polls](#), 2014

⁴⁸ See the [Local Government \(Electronic Communications\) \(England\) Order 2015](#) (SI 2015/5)

⁴⁹ *Ibid.*

councils.⁵⁰ The consultation proposed to bring 'larger parish councils' within the Ombudsman's remit. It invited views on whether this should be done, and on how 'larger parish councils' should be defined: this might be via a population threshold, or via a threshold related to the size of the parish council's precept. The consultation suggested a population threshold of 35,000, and/or a precept of £1 million, might be used. A council which came under the Ombudsman's remit would remain under its remit until the next census data is published. The consultation closes on 30 June 2015.

⁵⁰ DCLG, [Extending the remit of the Local Government Ombudsman to larger parish and town councils](#), 2015

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