

# Cinque Port Town of Rye

## Rye Town Council

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NEWS

### PRECEPT 2013-14

A combination of confirmed and likely Government initiatives, which will severely restrict the tax-raising abilities of parish and town councils, has led to Rye Town Council concluding that it would not be in Rye's longer term interests to freeze the precept (Council Tax) for a third consecutive year.

At a Special Precept meeting convened this week Town Councillors resolved to add £25,000 to the Council's precept in 2013-14. Although this represents an increase for an average Band D tax payer of 39%, because the Town Council's budget is considerably smaller than the District or County Council, in monetary terms this equates to a rise of just 32p per week.

The decision to raise the precept during a time of continuing austerity was not taken lightly. Councillors are acutely aware that many townspeople are struggling with rising energy, food and transport costs, below inflation wage increases and poor returns on any savings.

A number of factors have informed the Council's decision to raise its precept significantly. The first of these is the Government's decision to reduce the total amount provided to fund Council Tax Benefit by 10%. From 1 April Council Tax Benefit will be replaced with Council Tax Support. The Government has provided Rother District with a transition grant to cover some of the funding shortfall. Although Rother has (commendably) agreed to distribute the grant proportionately amongst Rother parishes, the effect of moving from a benefit to a discount scheme is that the Council Tax Base for most parish/town councils will decrease. This means that even if a parish council froze its total precept, Council Tax payers would pay more. The situation is likely to be exacerbated if, as anticipated, the transition grant is not carried over into 2014-15 and/or Government funding for Council Tax Support is reduced further still.

In addition to this, the prevailing opinion in local government is that it is probable that parish councils will be subjected to the 'excessive Council Tax' referendum threshold regulations in 2014-15. Currently, a District or County Council wishing to increase its basic rate of Council Tax by 2% or more must obtain its electorate's approval. This would mean that, at its current level of precept, Rye Town Council would not be able to raise more than an additional £1,700pa (approximately) without having to hold a referendum (costing the town £3,500-£4,000).

Currently the power of parish/town councils to levy a precept is unrestricted. If they were limited to a 2% increase it would severely curtail their ability to support the aspirations of their communities. Rye Town Council has no desire to find itself in this position. It is looking to support highways improvements (including a cycle path between Valley Park and Love Lane, and the introduction of much-needed loading bays in the High Street), as well as the development of a Neighbourhood Plan – which would guide future development in Rye and generate additional Community Infrastructure Levy funding for the parish. Furthermore, Councillors are conscious that Rother District Council might soon decide that it can no longer afford to provide discretionary services (such as public conveniences).

Even with the £25,000 increase Rye Town Council will continue to derive over half its total income from sources other than Council Tax, whilst at the same time being in a much stronger position to respond to threats posed to the wellbeing of the parish's residents, businesses and community groups.

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*Further information:*

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