Subject: Provisional local government finance settlement 2023 to 2024

Dear ChALC Member

Just before Christmas NALC advised that the Provisional Local Government Finance Settlement 2023 to 24 confirms that that council tax referendum principles will not be set for local (parish and town) councils in 2023/24.

The relevant sections are below:

3.2 Council tax referendum principles
3.2.1 The government proposes the following package of referendum principles for 2023/24 which will be subject to the approval of the House of Commons alongside the final local government finance settlement:

- *Protecting local taxpayers from excessive increases in council tax, by setting the referendum threshold at 3% per year from April 2023 for shire counties, unitary authorities, London boroughs, and the Greater London Authority, without a local referendum. Councils can set higher increases if they wish, via consent of a local referendum.*
- *In addition, local authorities with social care responsibilities will be able to set an adult social care precept of up to 2% per year without a referendum.*
- *A bespoke council tax referendum principle of up to 3% or £5, whichever is higher, for shire districts.*
- *A bespoke additional council tax flexibility of up to £20 on Band D bills for the Greater London Authority, as requested by the Mayor of London[footnote 9].*
- *Setting no council tax referendum principles for mayoral combined authorities (MCAs).*
- ***Setting no council tax referendum principles for town and parish councils.***
- *A £5 referendum principle on Band D bills for all fire and rescue authorities. A £15 referendum principle on Band D bills for police authorities and police and crime commissioners.*

3.2.2 It is for individual authorities to determine whether to use the flexibilities detailed above.

3.5 Council tax referendum principles for town and parish councils
3.5.1 The government has not previously set referendum principles for town and parish councils. This approach was contingent on town and parish councils taking all available steps to mitigate the need for council tax increases and the Government seeing clear evidence of restraint.

The link to the open consultation is https://www.gov.uk/government/consultations/provisional-local-government-finance-settlement-2023-to-2024-consultation

NALC will continue to push for a multi-year deal and this will be included in their response to the consultation in the New Year.