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Dear Julian,

DISPENSATIONS AND DECISIONS ON COUNCIL TAX PRECEPTS

Thank you for your letter of 6 December to the Rt Hon Eric Pickles MP, enclosing an email from your constituent Sue Welch, who wishes an amendment to be made to the legislation for the new standards arrangements, to allow parish councillors to participate in decisions on setting the parish precept, without the need to seek a dispensation under section 33 of the Localism Act 2011. I am replying as my Ministerial responsibilities include local government.

The background to this issue is that a councillor may not participate in discussing or voting on an item of council business if they have a disclosable pecuniary interest in that business. A councillor who wishes to participate in council business in which they have a disclosable pecuniary interest may seek a dispensation to do so. Whilst the Department cannot give legal advice, it is our informal view that being a council tax payer for a property within the parish in which a councillor has a beneficial interest does not give rise to a disclosable pecuniary interest in relation to the setting of precepts. This is because council tax affects all local residents, whether or not they are councillors. If there is no disclosable interest, there is no need to seek a dispensation

The Department is aware that there is some guidance on this issue circulating, particularly that from the National Association of Local Councillors, which may have led some parish and town clerks and some monitoring officers to arrange for councillors to request dispensations to participate in decisions on precepts. Whilst it is not for Ministers to contradict the interpretation of clerks or monitoring officers, I am keen to avoid unnecessary 'gold-plating' by them of the new standards regime. The new regime introduced in the Localism Act is intended to be light-touch and to reduce unnecessary bureaucracy. I will therefore consider what steps we can take to correct misconceptions on this matter.

BRANDON LEWIS MP