

## **Statement re the Precept Error**

At its' February meeting the Parish Council set its precept for the coming year. This is the sum that the PC requests the Isle of Wight Council to collect on its behalf from Council Tax payers in the Parish of St Helens so as to fund its' work and responsibilities. The sum requested is the sum budgeted as spend for the coming year minus the income the Parish Council derives from other sources.

Unfortunately there was an error and the Isle of Wight Council was sent the wrong figure. The figure submitted was the total spend figure rather than the figure taking account of the income the Parish Council receives.

This was not realised until Council tax bills were received which showed a parish precept increase of 21.5% rather than the intended 3.4%.

To unpick this has proved more complicated than one would hope due to the strict legislative framework that understandably exists to regulate this area of local government.

Initial advice was that the error could best be regularised by amending the February resolution of the Parish Council to match the bills. However it was subsequently determined that this would not be legal as, while a Parish Council can change a precept after it is set, it cannot amend the figure to be higher than the original precept.

Having seen the minutes of the February meeting, IWC took the view that a precept was properly set and there was no error or default in that regard. Following further research and deliberation IWC took the view that since the approved precept was inconsistent with the billed figure it must now re-bill at the correct figure to resolve the issue. This will now take place and parishioners should be receiving revised bills in the next few weeks

In the meantime IWC has asked the Parish Council to notify it of the sum required, to be paid over by the IWC. This is because the payment to the Parish Council happens upfront. IWC then collects the money during the year and effectively reimburses itself. Our clerk has requested the correct figure, namely the sum in accordance with the decision we made in February - which will of course align with the reissued bills.

I apologise for the delay in setting out this problem and its resolution publicly. This is due to the need to take advice in what is a complex area. The need to ensure that we had clear and accurate advice, while necessary in any event, was underlined by the fact that emails were received written in a threatening tone demanding the resignation of the parish council. These were both inappropriate and unnecessary but, in my view, required us to be absolutely sure of the situation before making a public statement.

The side issue that has caused discussion, although I do not think merits a public discussion - certainly not at this stage in any event - is the cost of the rebilling. We were originally being told that IWC would demand that from us if the bills were to be changed. This is what prompted the discussion as to whether we should agree a higher figure to tie in with the bills issues and thereby save the cost of rebilling.

However the senior financial officer has confirmed that there is no legal requirement for the PC to pay for the costs of re-billing exercise, which will be in the region of £5000.

To quote the officer "Whilst there is no legal requirement for the PC to re-imburse the IOWC for the costs of re-billing, you will appreciate that I would be obliged to write to the PC in the circumstances seeking full re-imburement of the costs incurred. As we see it, the IOWC must now re-bill (as the Precept is in fact the one approved by the PC, not the one notified by the PC). It is a matter for the PC to consider whether or not it is prepared to re-imburse the IOWC for the costs associated with its error."

We can deal with this point as and when the officer writes to us (if he does so). As there is no legal requirement for us to make such a payment and given the impact it would have on our finances I would suggest such a request, should it be made, is politely refused. There are errors in Council Tax and Rates billing from time to time and, while it is unfortunate that this one has affected several hundred bills, it is in my view something that falls within the responsibilities and attendant risks of IWC in undertaking that function.