

Response to Consultation on 'Consolidation of Council Tax Demand Notice Regulations including Efficiency Information'

Report of the Treasurer

For further information about this report please contact Keith Dixon, Treasurer, on 01743 260202.

1 Purpose of Report

This report proposes responses to a Communities and Local Government consultation on the Council Tax (Demand Notices) (England) Regulations' due to be issued in 2009.

2 Recommendations

The Committee is asked whether it would be prepared to respond as set out in paragraph 4.

3 Background

The Government amended the regulations in 2008 in order to include efficiency information on council tax bills and on material that accompanies bills in 2009/10. The Government now wants to make these requirements permanent, but had promised to review the outcome of the 2009/10 changes.

The position in 2009/10 was:

- i. Required on the face of the council tax bill:
 - a) Forecast cumulative efficiencies for the year prior to the bills;
 - b) Forecast efficiencies as in a) expressed as a percentage of the Fire Authority's base line expenditure (spending in 2007/08);
 - c) The impact on the average Band D dwelling in the billing authority's area of the sum of all relevant authorities' forecast cumulative efficiencies for the year prior to the bill.

The regulations defined 'relevant authorities' as billing authorities, County Councils and Fire and Rescue Authorities, i.e. Police Authorities were excluded.

For example in the Shropshire Council area, the following appeared on the bill:

	Saving	As a % of 2007/08 spend
Shropshire Council	£7,477,000	2.7%
Shropshire and Wrekin Fire Authority	£201,000	1.1%

These efficiencies equal £72 for the average Band D dwelling.

- ii. Required to be included in the information that accompanies demand notices (i.e. the council tax leaflet):
 - a) Forecast cumulative efficiencies for the year prior to the bill;
 - b) Actual cumulative efficiencies for the year, two years prior to the bill. This was not required in 2009/10, as it was related to the year 2007/08, which was part of the previous spending review period;
 - c) Forecast cumulative efficiencies for the year prior to the bill expressed as a percentage of the Authority's baseline expenditure 2007/08;
 - d) forecast cumulative efficiencies for the year prior to the bill divided by the number of Band D equivalent dwellings;
 - e) A benchmark figure for the impact on the average Band D dwelling of the sum of the forecast cumulative efficiencies for the year prior to the bill for all authorities of the same category, i.e. Fire and Rescue functions, whether provided by a council or a standalone authority.

Therefore on the Fire Authority's council tax leaflet for 2009/10 was:

Savings made/ forecast for 2008/09	£201,000
% of spending in 2007/08	1.1%
Savings per Band D dwelling	£1
National average for similar authorities	£2

4 Key Policy Changes

The following questions have been posed:

- 1) **Do you agree with our proposed treatment of re-organised authorities?**
The proposal to include re-organised authorities in the appropriate category for their type of authority, rather than the current standalone category of 're-organised authorities' is logical.
- 2) **Do you agree with our proposal for including Police Authorities, efficiency information on and with council tax bills from the 2010/11 billing round?**
Yes, their exclusion, whilst insisting on the information for other billing/ precepting authorities, seemed illogical.
- 3) **Do you find forecast calculations efficiencies expressed as a percentage of baseline expenditure data helpful?**
Not particularly, based on the level of responses from the public.
- 4) **Do you agree that the draft regulations effectively place efficiency information on an appropriate footing for future years?**
They appear to deliver the Government's desired objectives.
- 5) **Do you agree that the draft regulations effectively consolidate the 2003 regulations in so far as they concern council tax?**
This is a question for billing authorities.
- 6) **Do you agree that this arrangement for the provision of relevant information to billing authorities would be practicable?**
The requirement that CLG provide billing authorities with such information that it would not know itself by 31 December appears sensible and practicable, although billing authorities would need to confirm this.

5 Summary

The Government has made it clear that they are not re-opening the principle of whether efficiency information should be required on, and with, council tax bills.

Clearly including such information will act as a potential stimulus to achieve efficiencies, or to explain that efficiencies are being maximised. No evidence of direct responses from the public has so far been received, but this may happen in future.

The likely position for our 2010/11 efficiencies is:

1.	Efficiencies in the year prior to the bill	£149,000
2.	These efficiencies as a percentage of base line expenditure	0.8%
3.	Savings per Band D dwelling	£1
4.	National average per Band D dwelling	?
5.	Actual cumulative efficiencies for the year two years prior to the bill	£327,000

6 Financial Implications

There are no direct financial implications for the Fire Authority's budgets.

7 Legal Comment

The purpose of the consultation is to ensure that Local Authorities have an opportunity to comment on specific aspects of the Government's proposed policy, that the new regulations effectively consolidate the Council Tax and Non-Domestic Rating (Demand Notice) (England) Regulations 2003 insofar as they concern Council Tax, and that the new regulations place efficiency information on an appropriate footing for future years.

The intention will be to apply the new regulations to notices relating to financial years beginning on or after 1st April 2010 and to disapply the 2003 regulations in relation to the same notices.

8 Equality Impact Assessment

This report simply reports on changes to regulations proposed by the Government and the suggested response to its consultation. It has been assessed against the Service's Brigade Order on Equality Impact Assessments (Personnel 5 Part 2) and this has shown that there are no discriminatory practices or differential impacts upon specific groups arising from this report. An Initial Equality Impact Assessment has not, therefore, been completed.

9 Appendices

There are no appendices attached to this report.

10 Background Papers

Communities and Local Government Fire and Rescue Service Circular
42/2009 22 July 2009

Implications of all of the following have been considered and, where they are significant (i.e. marked with an asterisk), the implications are detailed within the report itself.

Balanced Score Card		Integrated Risk Management Planning	
Business Continuity Planning		Legal	
Capacity		Member Involvement	
Civil Contingencies Act		National Framework	
Comprehensive Performance Assessment		Operational Assurance	
Efficiency Savings	*	Retained	
Environmental		Risk and Insurance	
Financial	*	Staff	
Fire Control/Fire Link		Strategic Planning	
Information Communications and Technology		West Midlands Regional Management Board	
Freedom of Information / Data Protection / Environmental Information		Equality Impact Assessment	*