

EXPLANATORY MEMORANDUM TO
THE COUNCIL TAX (DEMAND NOTICES) (ENGLAND) REGULATIONS
2010

2010 No. 2990

1. This explanatory memorandum has been prepared by the Department for Communities and Local Government and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 The Council Tax (Demand Notices) (England) Regulations 2010 (“the Regulations”) make provision about the content of council tax demand notices (“bills”) and information which must be supplied with those bills when they are served (usually by way of council tax leaflets). The Regulations apply in relation to a council tax bill which relates to a financial year beginning on or after 1st April 2011 and which is served by an English billing authority.

2.2 The Regulations also disapply certain requirements which would otherwise apply to a council tax bill which is served after the coming into force of these Regulations and which relates to the financial year beginning on 1st April 2009 (2009-10) or the financial year beginning on 1st April 2010 (2010-11). The requirements which are disapplied concern efficiency information.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

4. Legislative Context

The 1992 Act

4.1 Part 1 of the Local Government Finance Act 1992 (“the 1992 Act”) concerns council tax in England and Wales. Under the 1992 Act billing authorities are required to levy and collect council tax in respect of dwellings situated in their areas (see section 1(1) of that Act).

4.2 There is power in the 1992 Act to require billing authorities to serve a council tax bill on a person before that person becomes liable to pay council tax in respect of a dwelling and a financial year (see paragraph 2(4)(a) and (b) of Schedule 2 to the 1992 Act). The requirement to serve a council tax bill is included in regulation 18 of the Council Tax (Administration and Enforcement) Regulations 1992 (S.I. 1992/613).

The 2003 Regulations

4.3 The Council Tax and Non-Domestic Rating (Demand Notices) (England) Regulations 2003 (S.I. 2003/2613) (“the 2003 Regulations”) make provision about the matters to be contained in, and information to be supplied with, council tax and non-domestic rates bills which concern financial years beginning on and after 1st April 2004.

4.4 As a consequence of regulation 1(3) of the Council Tax (Demand Notices) (England) Regulations 2009 (S.I. 2009/3193) (“the 2009 Regulations”), the 2003 Regulations have no application in relation to a council tax bill which relates to a financial year beginning on or after 1st April 2010. It follows that the 2003 Regulations apply in relation to council tax bills served by an English billing authority in respect of the financial years 2004-05 to 2009-10.

4.5 The 2003 Regulations were modified in relation to the financial year 2009-10 by the Council Tax and Non-Domestic Rating (Demand Notices) (England) (Amendment) (No. 2) Regulations 2008 (S.I. 2008/3264) (“the 2008 Regulations”). In particular, the 2008 Regulations required efficiency information to be included in, and supplied with, council tax bills which concern 2009-10. For 2009-10 efficiency information is required in relation to billing authorities, county councils which were not billing authorities and fire and rescue authorities.

The 2009 Regulations

4.6 The 2009 Regulations make provision about the matters to be contained in, and information to be supplied with, council tax bills which concern financial years beginning on or after 1st April 2010. The 2009 Regulations require efficiency information to be included in, and supplied with, council tax bills in relation to billing authorities, county councils which were not billing authorities, fire and rescue authorities and police authorities.

4.7 As a consequence of regulation 1(3) of the Regulations, the 2009 Regulations will not apply to a council tax bill which relates to a financial year beginning on or after 1st April 2011. Once the Regulations come into force it follows that the 2009 Regulations will only apply in relation to a council tax bill served by an English billing authority in respect of 2010-11.

The Regulations

4.8 The Regulations make provision about the content of council tax bills and information which must be supplied with those bills when they are served. They apply in relation to a council tax bill which relates to a financial year beginning on or after 1st April 2011 and which is served by an English billing authority.

4.9 The Regulations are very similar to the 2009 Regulations, but they do not contain any requirements for efficiency information to be included in, and supplied with, council tax bills. In addition, the Regulations disapply the

efficiency information requirements in the 2003 and 2009 Regulations which would otherwise apply to a council tax bill which is served after the coming into force of the Regulations and relates to 2009-10 or 2010-11.

5. Territorial Extent and Application

5.1 This instrument applies in relation to England only.

6. European Convention on Human Rights

6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

- What is being done and why

Introduction

7.1 Although the Government is committed to increasing transparency across Whitehall and local authorities in order to make data more readily available and allow people to hold service providers to account, it is not convinced that the efficiency information which billing authorities were required to provide in 2009-10 and 2010-11 was useful to local council taxpayers. Further, the process of collecting efficiency information and of ensuring that that information was accurately provided to council taxpayers via council tax bills and council tax leaflets was bureaucratic and costly. The Government has, therefore, decided to end this process and ensure that local authorities are free to focus on being fully accountable to local citizens.

An overview of the Regulations

7.2 Regulations 1 to 3 define certain terms which are used in the Regulations.

7.3 Regulation 4 and Schedule 1 specify the matters which must be contained in a council tax bill. These include the dwelling to which the bill relates, the valuation band applicable to the dwelling and the amount of council tax payable in respect of the dwelling. A bill must also include comparisons with the preceding year.

7.4 Regulation 5 and Schedule 2 specify information which must be supplied with a council tax bill when it is served. This information includes the gross expenditure and budget requirements of the billing authority and certain precepting authorities for the relevant year and the preceding year.

7.5 Regulation 6 applies if as a consequence of a mistake a council tax bill does not contain a matter specified in Schedule 1, but the council tax mentioned in the bill has been appropriately demanded. In these circumstances there is an obligation to pay the council tax, but the billing authority must

rectify the mistake as soon as practicable by serving a statement on the person on whom the bill was served.

7.6 Regulations 7 and 8 require precepting authorities and levying bodies to supply information to billing authorities when issuing a precept or a levy. Billing authorities require the information to meet their obligations under the Regulations

7.7 Regulation 9 disapplies efficiency information requirements which would otherwise apply to a council tax bill which is served after the coming into force of the Regulations and which relates to 2009-10 or 2010-11.

- Consolidation

7.8 The Regulations consolidate (with amendments) the provisions concerning council tax bills which are currently contained in the 2009 Regulations. The main change is the omission of all requirements concerning the provision of efficiency information.

8. Consultation outcome

8.1 The Department undertook consultations before making the 2008 and 2009 Regulations. The consultation on the 2008 Regulations considered the question of whether efficiency information should be included in, and supplied with, council tax bills. There were 218 respondents to the consultation, the key conclusions of which were-

- more than ninety percent accepted the case for providing greater transparency for the public on efficiency achievements; but
- almost all did not accept the case for requiring information on the face of the bill, citing in particular a lack of room for such information.

8.2 The consultation on the 2009 Regulations did not re-open this question. Instead the consultation invited comments on the detail of the Regulations and raised a number of policy questions such as whether certain information was helpful for public understanding of efficiencies, and whether efficiency information should be provided in relation to police authorities. There were 50 respondents to the consultation. The principal results from the consultation were that (in each case the percentages refer only to the proportion of responses that expressed a clear preference on that particular subject):

- Over sixty per cent of respondents felt that forecast cumulative efficiencies expressed as a percentage of baseline data were not helpful.
- Seventy-three per cent of local authorities and all fire and rescue authorities were in favour of requiring the publication of police efficiency information on the same basis as theirs. The three police authorities which responded opposed the proposal

8.3 The Department also undertook-

- a survey of a small sample of local authorities and their representative bodies to explore how people reacted to the efficiency information and what difficulties, if any, the authorities encountered in meeting the relevant requirements for the 2009-10 billing round; and
- a consultation with consumer groups to test their understanding of the public response and seek their views about how we might improve the presentation of efficiency information on council tax bills.

8.4 The survey of local authorities indicated that only about a third of councils were contacted at least once in response to the efficiency information presented on or with the council tax bills, but primarily about the detail of the figures rather than wider points about efficiency. None of the consumer groups interviewed had been contacted with regard to the efficiency information.

8.5 No consultation has been undertaken in relation to the Regulations. This is because-

- the Regulations are largely a consolidation of the 2009 Regulations on which the Department consulted fully, and
- the Department is of the view that over recent years it has consulted fully on the principle and detail of including efficiency information in, and supplying efficiency information with, council tax bills.

8.6 The Department is of the view that those consultations demonstrate local authorities' opposition to the current requirements concerning efficiency information.

9. Guidance

9.1 The Department is not planning to publish any guidance in relation to the Regulations. General guidance is not normally published when council tax demand notice regulations are made and since the Regulations are largely a consolidation of the 2009 Regulations the Department sees no reason to alter its usual practice on this occasion.

10. Impact

10.1 The impact on business, charities or voluntary bodies is nil.

10.2 The impact on the public sector is as follows:

Billing authorities will not be required to include specified efficiency information for billing authorities, county councils which were not billing authorities, fire and rescue authorities and police authorities. Instead all such

authorities will be free to choose what if any information on value for money performance they wish to provide and how they will present this.

In line with the new burdens policy, and in order to cover the additional costs associated with the 2009-10 and 2010-11 requirements to publish efficiency information, the Department committed to providing £2.35m capital funding in each of financial years 2008-09 and 2009-10, plus £1.84m revenue funding in each of financial years 2008-09, 2009-10 and 2010-11.

The Department's assessment is that there are no new burdens associated with the omission of all requirements concerning the provision of efficiency information. In particular, in relation to regulation 9 the relevant efficiency requirements for 2009-10 and 2010-11 have been disapplied, but where an authority has prepared pre-printed bills it will still be able to use these.

10.3 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

11.1 The legislation does not apply to small business.

12. Monitoring & review

12.1 There are no plans for a formal review of the Regulations.

13. Contact

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