

INCLUSION OF EFFICIENCY INFORMATION WITH COUNCIL TAX DEMAND NOTICES

Frequently Asked Questions

Last updated: 22 December 2008

On 5 December, the Government published its response to the consultation on the inclusion of efficiency information with council tax demand notices¹. As from the 2009-10 billing round, councils will be required to include information on the efficiency achievements of the billing authority, county council (where different from the billing authority) and the local fire and rescue functions, both in demand notices and in the accompanying leaflet. This decision has been implemented through “The Council Tax and Non-Domestic Rating (Demand Notice) (England) (Amendment) (No.2) Regulations 2008”².

This document sets out the answers to some frequently asked questions on issues related to the:

- [Policy decision and next steps](#);
- [Implementation by local authorities](#); and,
- [Efficiency information that must be provided with demand notices](#).

If you have a query not covered below, please contact us. The relevant contact details for different subjects are:

General		ltie@communities.gsi.gov.uk	
Council tax	Peter Reilly	peter.reilly@communities.gsi.gov.uk	020 7944 4012
Efficiency information	Michael Read-Leah	michael.read-leah@communities.gsi.gov.uk	020 7944 3470
Grant payments	Marie de Guzman	marie.deguzman@communities.gsi.gov.uk	020 7944 5217
Policy decision	Ellen Davies	ellen.davies@communities.gsi.gov.uk	020 7944 4212

Policy decision and next steps

Why are you requiring efficiency information on council tax bills?

We believe that council tax payers rightly expect excellent public services and value for money, and they should be given the information they need to ensure their local authorities deliver this. There was clear recognition in the consultation responses that provision of such information is important. We noted the views expressed in response to the consultation paper, many of which set out issues relating to the space available on the demand notice. We have concluded that the most effective way to provide information on local authority efficiency to voters is on council tax bills, but in a more streamlined form than our original proposals.

¹ Available at: www.communities.gov.uk/publications/localgovernment/counciltaxefficiencyresponse

² Statutory Instrument 2008/3264, available at: www.opsi.gov.uk/si/si200832

Will the public find this efficiency information useful?

We believe that people will welcome this information; research has shown that there is a distinct relationship between the degree that people feel well-informed about their council and their perception that it operates efficiently. By placing efficiency information on the face of the bill, it will be seen by more people and will help them to understand what their authority is doing on efficiency and give them the tools to challenge any authority that is not performing well.

How will you know that including this information has been effective?

We intend to review the outcomes of these regulations before embarking on new regulations for the 2010-11 billing round.

How and when will you pay councils for the additional expense?

We have taken into account information obtained from councils' consultation responses when calculating the best estimate for the net additional costs that will be incurred by councils, and these total costs will be paid by means of a grant under Section 31 of the Local Government Act 2003. We anticipate paying the 2008-09 grant early in 2009. We will contact authorities about the allocation of this grant in due course.

Will efficiency information need to be included when rebilling people?

We consider that it is important to provide efficiency information to all council tax payers on the first demand notice they receive for a particular year (this includes those first issued to new taxpayers that move into an area during the year), but it is not necessary to do so in any further bills issued to a person for that year. Therefore, councils are not required to include efficiency information in such cases.

What information must the bills for the new unitary councils include?

Following further consultation with authorities in the areas due to be reorganised in April 2009, we have concluded that the most effective solution will be for their bills to include efficiency information based on the aggregate of the relevant predecessor authorities' forecast efficiencies, council tax base and 2007-08 baseline expenditure (excluding fire and rescue functions). As in other areas, information about fire and rescue efficiencies must be shown separately.

Why are you requiring new unitary authorities to include this information?

We consider that it is important to provide efficiency information to all council tax payers, regardless of how their local authorities are organised. We have listened to the particular concerns expressed about the space available on demand notices to include efficiency information for each of their predecessor councils, and decided to adopt an approach that will require no more space than for other billing authorities.

Must fire and rescue efficiency information be shown separately where this function is undertaken by a billing authority or county council?

Yes, the regulations will require fire and rescue efficiencies to be shown separately from efficiencies made in other functions.

Will information on police authorities' efficiency need to be included?

No, this will not be required for the 2009-10 billing round. We will explore options for presenting this information with 2010-11 demand notices.

Will information on other precepting bodies' efficiency need to be included?

Councils may include efficiencies achieved by precepting bodies (including parish councils, Passenger Transport Authorities and Waste Disposal Authorities) in the value of savings they forecast or report achieved, and so there is no requirement to include efficiency information from these bodies separately. London authorities are not required to include efficiency information about the Greater London Authority (except savings by the London Fire & Emergency Planning Authority).

Implementation by local authorities

Are there any restrictions on how the efficiency information is presented?

The Regulations will not specify how the information must be presented. As long as the required information is contained in or, where relevant, supplied with the demand notice then the requirement will have been met.

Efficiency information that must be provided with demand notices

What efficiency information is required to be published?

To ease the implementation of this policy, we have calculated and published all the efficiency information that will need to be provided on and with demand notices. This is set out for each billing authority in the spreadsheet at:

www.communities.gov.uk/localgovernment/efficiencybetter/deliveringefficiency/counciltaxnotices

How has the efficiency information been calculated?

All the information has been calculated from data provided by councils to the Department. The second worksheet of the spreadsheet setting out the efficiency information required to be published on and with demand notices explains the source of the data.

Can local authorities' efficiency information be amended?

The Department undertook a short consultation on the efficiency information. That consultation has closed and the efficiency information cannot now be amended for the 2009-10 billing round; the Regulations require councils to use the data published on the Department's website.

Must the stated formula be used to calculate authorities' 2007-08 efficiency baseline data?

In order to ensure consistency between councils' efficiency information, we have decided to use the same formula for all councils. The only exception relates to housing expenditure; where housing stock has been transferred and is no longer the responsibility of the council, we are willing to omit any element of expenditure in this area that would otherwise contribute to the baseline figure. It is too late to make further amendments to the data to be used with the 2009-10 billing round, but consideration will be given to refinements for the future if necessary.

What council tax base figure has been used?

We have used the tax-setting taxbase for 2007-08 in calculating the efficiency information for the 2009-10 billing round.

Are councils shown as achieving less than 3% efficiencies failing?

We recognise that councils are at different stages in delivering greater value for money; forecasting less than 3% new efficiencies is not necessarily a sign of poor value for money. Where it is matched with other evidence of underperformance (for example a poor Use of Resources score as part of the Comprehensive Area Assessment), then the local RIEP and Government Office will work to help an authority. However, ultimately the drive to improve must come from the council and its local residents as they will benefit from the achievement of efficiencies.