

## ANALYSIS OF RESPONSES TO THE CONSULTATION PAPER ON IMPROVING COMMUNICATION WITH COUNCIL TAX PAYERS

### Section 3: Levying Bodies

The consultation paper invited views on whether we could improve the transparency of levies by: adopting a presentational style, ie flow charts showing the link between the levy and council tax; or by allowing authorities to show on the bill a notional amount of council tax raised to support the levy; or to continue with the current requirements.

Number of responses received - 111

#### Table

Respondent type	Presentation approach	Notional amount approach	No change
District authority	1	4	37
Metro Borough		1	13
London Borough		3	8
Unitary authority	1	1	16
County council*		4	12
Other precept body	1		1
Levying bodies		1	1
Local auth assoc			2
Other Association	1		3

\* inc GLA

#### Commonly held views

View	Mainly Held by	No.made
Use of notional figures would be even more confusing	Billing authorities	34
Only small part of expenditure, leave as it is	Billing authorities	11
Allow LAs the choice of how to present basic information on levy amount and reasons for change in levy	Various	24
It should be made clear than Las cannot influence the amount of the levy	Billing authorities	7
Make all levying bodies precepting authorities	Unitary	5

#### Other key points or persuasive arguments

The overwhelming majority of respondents, 93 out of 111 (84%) favoured the continuance of the existing system. Only 14 (13%) supported a notional amount approach. Whilst a mere 4 (3%) supported a presentational approach.

Those favouring no change said the use of a notional figure would be difficult to explain to taxpayers and probably be more misleading and a significant number thought that flow charts would need to be complex so would lead to more confusion.

“the current financial information provided by levies is not particularly meaningful to council tax payers. However, neither of the suggested approaches provides a suitable alternative to the present system.” (ALG)

“Too much information may obscure the picture” (Welwyn-Hatfield)

For the most part respondents thought that given that levies only account for a very small part of expenditure there was no need to radically change the information provided.

“Unconvinced of need for change bearing in mind that the amounts are not significant” (Leeds City Council)

Nearly all respondents thought that whatever information is provided should be kept simple and should not go into too much detail. They said that the levying bodies and local authorities were best placed to decide the amount of the levy and reasons for changes in the levy from the previous year should be presented to their taxpayers.

7 billing authorities thought that it should be made clear to taxpayers that they could not influence the amount levied as this was determined solely by the levying body.

5 unitary authorities expressed the view that to make levies more transparent and accountable all levying bodies should become precepting authorities.

“Levying bodies present particular difficulties...these limitations can only be wholly removed by making them precepting bodies,” (Leicester City Council)

#### **Section 4: Information on or with Bills**

The consultation paper stated that Government wanted local authorities to provide council tax information in a format that helps taxpayers understand what it is and why they are paying it. The paper also said that the Government wanted to give local authorities the freedom to decide their own information strategies to meet local demands and reflect the wishes of the local people. However, this had to be tempered with the need to ensure taxpayers received information on their rights and obligations.

The paper asked whether the regulations governing council tax bills and the information supplied with them should be restricted to just what should appear on the face of the bill; what appears on the bill plus prescribed core information; or what appears on the bill plus a general duty on authorities to provide information on the council tax, ie benefits/discounts, obligation to pay, what the tax funds and why it has varied from last year.

Number of responses received - 127

**Table**

Respondent Type	Support Flexibility			Preference for Regulatory Options			
	Bill Only	Leaflet only	Neither	Bill only	Bill & Core info	Bill & broad duty to inform	None
District	10	27	6	7	17	14	9
Metro Boro	3	9		3	1	5	2
London Boro	3	12			9	1	
Unitary	2	21		4	5	3	2
County*	3	10		3	1	6	
Parish		1					
Other precept	1	3			3		
Levying body		1			1		
La assoc		1			1		
Other assoc		2			3	1	
Other	1	3			1		1

\*inc GLA

**Commonly held views**

View	Mainly Held by	No.made
Should be bar on political statements	<b>Billing authorities</b>	5
Only basic information needs to be shown ie benefits/discounts and LA income and expenditure levels	<b>Billing authorities</b>	12
Greater flexibility will lead to more meaningful communication with taxpayers	<b>Various</b>	8
Should be distinct leaflets for different tiers/preceptors should write their own	<b>Various</b>	4
Should be just one leaflet for all tiers/multi leaflets could be a barrier	<b>Various</b>	8
Forward look plan should replace BVPP summary & CT Leaflet	<b>Various</b>	5
Regulations need to specify time by which preceptors must provide information to billing authority	<b>Billing authorities</b>	4

Bas should be compelled to include info from precepting bodies	<b>GLA</b>	<b>1</b>
Agreement between tiers could be difficult	<b>Various</b>	<b>5</b>
London Boroughs/billing authorities should have editorial control over leaflet	<b>Various (inc LGA)</b>	<b>3</b>
Should be general duty to inform, backed by guidance	<b>Billing authorities</b>	<b>5</b>

### **Key points and persuasive arguments**

Almost all of the respondents, 113 out of 127 (89%), supported the general view that authorities should be given flexibility in what information is provided and how it is distributed to council taxpayers. Of these, 23 supported flexibility only with the bill whilst 90 supported flexibility in the supporting information.

“Primary purpose of the bill is to communicate billing information. No-one tells BT, Barclaycard or other such organisations what must appear yet they seem to be able to provide meaningful bills...Government’s approach to local authorities seems to be that of a nanny state..”(Elmbridge)

There was general consensus that the existing regulations were too prescriptive. This produced a considerable amount of detailed financial information that was both confusing and meaningless to most taxpayers and resulted in this information being thrown away unread.

“Only 15% of customers read the information.....but whatever we do, will it make any difference?” (Watford Borough Council)

“greater flexibility over content and timing would aid the debate about services and service standards and the impact on council tax levels.” (Staffordshire CC)

Authorities felt that what taxpayers wanted was information on the amount of tax they had to pay, did they qualify for benefits/discounts, how can they appeal, who levied it, what was it spent on, how do they benefit and why had it increased this year. Authorities should be able to decide how best to promulgate this information. For example basic information could accompany the bill with details of how to obtain more detailed financial information if the taxpayer required it, ie via the authority’s website.

Respondents were fairly evenly divided over the question of whether the Government should just prescribe the face of the bill plus core information or just precribe the bill with a general duty to inform taxpayers. 42 respondents(41%) supported prescription of core information, whilst 30(29%) favoured the general duty approach. A further 17 (16%) called for complete freedom and 14(14%) expressed no preference. Of those that expressed a view for a prescription of core information there was no clear consensus on what the core information should comprise. However, they wanted this only to cover very basic

information, ie information on discounts/benefits, how to appeal, payment options, what happens if bill is not paid, how much is being raised by each tier of local government, where this is going and what it is being spent on and why has it changed from last year.

A number of authorities thought that the Best Value Performance Plan Summary was the best way to provide meaningful information to taxpayers.

“Greater flexibility should evolve through the Performance Plan summary, leaving the basic information .... to be sent with bills.”(Northamptonshire Finance Officers Association).

“The Commission believes that all authorities should prepare a summarised annual plan in March. This would be distributed to every household and would be forward looking document-providing taxpayers with a picture of the authority’s financial plans and performance targets. For billing authorities, the summarised plan would replace the BVPP summary and council tax leaflet.” (Gloucester)

About 3% of respondents thought that there should be different leaflets for each tier of local government including precepting authorities but 6% thought there should be one leaflet covering all the tiers. Separate leaflets would be bulky and costly to produce and would be seen as an increase in “junk Mail” by taxpayers thereby contrary to the aim of providing more meaningful information.

A small number of authorities thought that giving freedom to authorities whilst laudable could lead to difficulties in securing agreement between the differing tiers of local government on what information was provided. For example, in a two tier area the county might want to provide lengthy and detailed information but because the cost of production would fall on the district the district would object.

“Agreeing the content and style of joint leaflets will potentially cause difficulties, since every District Council will have its own locally determined format. Producing a separate leaflet for the County is one option, but then this increases the number of enclosures sent out with the leaflet and adds to the confusion suffered by the taxpayer.” (Somerset County Council)

There was considerable concern expressed by London authorities on the subject of information provided by the Boroughs and the Greater London Authority. The Boroughs wanted a prohibition of political statements and absolute editorial rights on what they have to publish. The GLA on the other hand wanted precepting authorities to have complete freedom to provide what information they liked and billing authorities should be compelled to publish this unedited.

Some authorities also called for regulations to stipulate when precepting authorities should provide information to the billing authorities. They felt that this would assist in the timely production of the information.

## Section 5: E-Billing

The consultation paper stated that the Government wanted to facilitate the move to electronic billing for those taxpayers that want it as part of its objective that all services should be available electronically by 1 April 2005. The paper invited views on the form of electronic service that authorities might use for e-billing.

Number of responses received - 59

**Table**

Respondent type	Supports e-billing proposals	Against e-billing proposals	E-billing as a conduit to wider e-services
District authority	18	8	11
Metro Borough	3		1
London Borough	6	1	5
Unitary authority	10		7
County council*	4		
Levying bodies		1	
Local auth assoc	1		1
Other Association	2		1

\*inc GLA

### Commonly held views (mainly billing authorities)

View	No.made
Concerned about proof of delivery for enforcement purposes	19
Confirmation of service method should be employed	9
A secure site/password should be used	19
Concerned about joint and several liability	1
Concerned about data protection	4
Should be an "add on" or permissive service where taxpayers sign up to receive e-bills	5
Would welcome national, Gov't funded, Govt/DTLR website showing all aspects of ctax and NDR info (billing info, VOA lists etc)	4
May be low take up/not cost effective ( <b>check 30 responses</b> )	11
High error rate due to out of date e-mail address	3
Incompatible systems/some e-mail services cannot receive attachments	7

## **Key points or persuasive arguments**

[Most/Many] authorities were positive about the concept of introducing electronic billing as a recognised means of service of the council tax demand notice.

“E-billing is the way forward – not just for council tax but for other types of bills...”  
(Stockton on Tees BC)

Stockton on Tees, an authority which has already piloted e-billing on an informal basis, has been using an e-mail notification to taxpayers with a hyperlink to the council’s website providing access to more information. Whilst this option (para 5.10c) was favoured by a number of respondents, others expressed a preference for the use of a secure website with password-restricted access (para 10d). Some preferred a combination of the options suggested in the consultation paper:

“ We believe this would offer the best solution – the notification of a bill by e-mail with an embedded link to a secure site where taxpayers use password-protected access to their information and can make payments and obtain other information immediately” (London Borough of Hammersmith and Fulham)

The number of opinions received about the form that e-bills might take emphasised the view that a “one size fits all” solution would not be appropriate. As one authority pointed out:

“ There are a wide variety of differing systems which are used for e-mail and web access which are not currently compatible” (Leeds City Council)

A number of authorities have raised concerns about their ability to prove service of electronic bills in any enforcement action. Service of bills in the conventional way is “proved” by production of a statement by the authority that the bill has been posted. Specific provision in regulations would be needed for e-bills:

“the rules of legal service currently covered by section 233, Local Government Act 1972 being changed so that effective service can be proved to the satisfaction of the courts..” (North Warwickshire Borough Council)

“would support legislation to allow those authorities that wish to deliver bills electronically, particularly if there is a statutory duty on the individual registering to advise the local authority of e-mail address changes. Consequently, any bill sent, and not returned as undelivered, should be legally deemed to have been delivered.”  
(Elmsbridge)

