

2008 No. 3264

COUNCIL TAX, ENGLAND

RATING AND VALUATION, ENGLAND

**The Council Tax and Non-Domestic Rating (Demand Notices)
(England) (Amendment) (No. 2) Regulations 2008**

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| <i>Made</i> - - - - | <i>18th December 2008</i> |
| <i>Laid before Parliament</i> | <i>22nd December 2008</i> |
| <i>Coming into force</i> - - | <i>20th January 2009</i> |

The Secretary of State, in exercise of the powers conferred by sections 113(1) and 116(1) of, and paragraphs 1, 2(4)(e) and (j) of Schedule 2 to, the Local Government Finance Act 1992(a), makes the following Regulations:

Citation, commencement and application

1.—(1) These Regulations may be cited as the Council Tax and Non-Domestic Rating (Demand Notices) (England) (Amendment) (No. 2) Regulations 2008, and come into force on 20th January 2009.

(2) These Regulations apply in relation to England only.

(3) These Regulations apply in relation to the financial year beginning on 1st April 2009 only.

Modifications

2. The Council Tax and Non-Domestic Rating (Demand Notices) (England) Regulations 2003(b) are modified as follows.

Interpretation

3. In regulation 1 (citation, commencement and interpretation)—

(a) in paragraph (2), insert each of the following definitions in the appropriate place—

““baseline expenditure”, in relation to an authority, means the expenditure of that authority which is identified as such in the relevant document;

(a) 1992 c.14. Section 113(1) was amended by paragraph 52(2) of Schedule 7 to the Local Government Act 2003 (c.26). These powers are now vested in the Welsh Ministers so far as they are exercisable in relation to Wales. They were previously transferred to the National Assembly for Wales by article 2 of the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672); see the entry in Schedule 1 for the Local Government Finance Act 1992. By virtue of paragraphs 30 and 32 of Schedule 11 to the Government of Wales Act 2006 (c.32), they were transferred to the Welsh Ministers.

(b) S.I. 2003/2613; relevant amending instruments are S.I. 2003/3081, 2004/3389, 2006/217, 2006/492, 2006/3395 and 2008/387.

“fire and rescue authority” means—

- (a) a fire and rescue authority constituted by—
 - (i) a scheme under section 2 of the Fire and Rescue Services Act 2004(a),
 - (ii) a scheme to which section 4 of that Act applies,
- (b) a metropolitan county fire and rescue authority, or
- (c) the London Fire and Emergency Planning Authority;

“fire and rescue functions” means the functions in Part 2 (functions of fire and rescue authorities) of the Fire and Rescue Services Act 2004;

“preceding year” means the financial year preceding the relevant year;

“relevant document” means the document “Efficiency information to be contained in and supplied with 2009-10 council tax demand notices” dated 18th December 2008 which is published on the website of the Department for Communities and Local Government(b), a copy of which has been deposited at the Department’s principal office(c);”;

- (b) after paragraph (4), insert the following paragraph—

“(5) Any reference in these Regulations to the council tax base for an authority’s area or a part of an authority’s area is a reference to the council tax base for that area or part for the financial year which precedes the preceding year as calculated in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992(d).”.

Efficiency authorities, etc

- 4. After regulation 1, insert the following regulation—

“Definitions of “efficiency authority”, “restructuring efficiency authority” and “multi-function authority”

1A.—(1) Subject to paragraph (2), in these Regulations “efficiency authority”, in relation to a billing authority’s area and the relevant year, means—

- (a) the billing authority, and
- (b) any—
 - (i) county council which is not a billing authority, or
 - (ii) fire and rescue authority,any part of whose area is in the billing authority’s area.

(2) If as at 1st April in the preceding year the billing authority did not exercise the same functions in relation to its area as it exercises as at 1st April in the relevant year, paragraph (1) does not apply and paragraph (3) applies instead.

(3) In relation to the billing authority’s area (“the relevant area”) and the relevant year—

- (a) any fire and rescue authority any part of whose area is in the relevant area is an “efficiency authority”; and
- (b) each of the following authorities is a “restructuring efficiency authority”—
 - (i) any authority which as at 1st April in the preceding year was a billing authority in respect of any part of the relevant area,

(a) 2004 (c.21).

(b) The document can be found on the Department’s website at the following address <http://www.communities.gov.uk/localgovernment/efficiencybetter/deliveringefficiency/counciltaxnotices/>.

(c) The document is available for inspection at the following address; The Department for Communities and Local Government, Eland House, Bressenden Place, London SW1E 5DU.

(d) S.I. 1992/612, to which there are amendments not relevant to these Regulations.

- (ii) any county council any part of whose area was in the relevant area as at 1st April in the preceding year.
- (4) In these Regulations “multi-function authority” means—
- (a) any efficiency authority which exercises fire and rescue functions, but is not a fire and rescue authority; or
 - (b) any restructuring efficiency authority which as at 1st April in the preceding year exercised fire and rescue functions, but which was not at that time a fire and rescue authority.”

Content of demand notices, etc

5. In regulation 3 (content of demand notices, etc)—

- (a) in paragraph (1), for “paragraph (2)” substitute “paragraphs (2) and (2A)”; and
- (b) after paragraph (2) insert the following paragraph—

“(2A) Where—

- (a) a council tax demand notice which includes the matters specified in paragraph 23A or 23B of Schedule 1 has been served on a person in respect of the relevant year, and
- (b) any further council tax demand notice is served on that person (for whatever reason) in respect of the same financial year,

the further council tax demand notice need not contain the matters specified in those paragraphs.”.

Schedule 1

6. In Schedule 1 (matters to be contained in council tax demand notices)—

- (a) in paragraph 1 (interpretation) in sub-paragraph (1), omit the definition of “preceding year”; and
- (b) after paragraph 23 (contact details) insert the following paragraphs—

“Information concerning efficiency

23A.—(1) This paragraph applies if there are no restructuring efficiency authorities in relation to the billing authority’s area.

(2) The matters are—

- (a) the following matters in relation to each efficiency authority which is not a multi-function authority—
 - (i) the forecast cumulative efficiency savings for the preceding year,
 - (ii) the matter mentioned in sub-paragraph (i) expressed as a percentage of the authority’s baseline expenditure, that percentage rounded to the nearest decimal place;
- (b) the following matters in relation to each efficiency authority (if any) which is a multi-function authority—
 - (i) the forecast cumulative efficiency savings for the preceding year in respect of the authority’s fire and rescue functions,
 - (ii) the forecast cumulative efficiency savings for the preceding year in respect of the authority’s functions other than its fire and rescue functions,
 - (iii) the matter mentioned in sub-paragraph (i) expressed as a percentage of the authority’s baseline expenditure for its fire and rescue functions, that percentage rounded to the nearest decimal place,

- (iv) the matter mentioned in sub-paragraph (ii) expressed as a percentage of the authority's baseline expenditure for its functions other than its fire and rescue functions, that percentage rounded to the nearest decimal place;
- (c) the aggregate of the amounts calculated by applying the following formula, that aggregate rounded to the nearest pound—

$$\frac{A}{B}$$

where—

A is—

- (a) the matter in paragraph (a)(i), or
- (b) the aggregate of the matters in paragraph (b)(i) and (ii), for each efficiency authority; and

B is the council tax base for the efficiency authority's area.

23B.—(1) This paragraph applies if there are restructuring efficiency authorities in relation to the billing authority's area.

(2) If there are one or more efficiency authorities in relation to the billing authority's area, the matters are—

- (a) the following matters in relation to each efficiency authority—
 - (i) the forecast cumulative efficiency savings for the preceding year,
 - (ii) the matter mentioned in sub-paragraph (i) expressed as a percentage of the authority's baseline expenditure, that percentage rounded to the nearest decimal place;
- (b) the aggregate of the forecast cumulative efficiency savings for the preceding year for each restructuring efficiency authority;
- (c) the matter in paragraph (b) expressed as a percentage of the aggregate of each restructuring efficiency authority's baseline expenditure, that percentage rounded to the nearest decimal place;
- (d) the amount calculated by applying the following formula, that amount rounded to the nearest pound—

$$C + D$$

where—

C is the aggregate of the amounts calculated by applying the formula in sub-paragraph (4); and

D is the amount calculated by applying the formula in sub-paragraph (5).

(3) If sub-paragraph (2) does not apply, the matters are—

- (a) the following matters in relation to each restructuring efficiency authority which is a multi-function authority—
 - (i) the forecast cumulative efficiency savings for the preceding year in respect of the authority's fire and rescue functions,
 - (ii) the matter mentioned in sub-paragraph (i) expressed as a percentage of the authority's baseline expenditure for its fire and rescue functions, that percentage rounded to the nearest decimal place;
- (b) the aggregate of the forecast cumulative efficiency savings for the preceding year in respect of functions other than fire and rescue functions for each restructuring efficiency authority;

- (c) the matter in paragraph (b) expressed as a percentage of the aggregate of each restructuring efficiency authority’s baseline expenditure for its functions other than fire and rescue functions, that percentage rounded to the nearest decimal place;
 - (d) the amount calculated by applying the formula in sub-paragraph (5).
- (4) The formula is—

$$\frac{E}{F}$$

where—

E is the matter mentioned in sub-paragraph (2)(a)(i) for each efficiency authority;
and

F is the council tax base for the authority’s area.

- (5) The formula is—

$$\frac{G}{H}$$

where—

G is—

- (a) the matter in sub-paragraph (2)(b) when calculating the amount for item D in sub-paragraph (2)(d), and
- (b) the aggregate of the matters in sub-paragraph (3)(a)(i) and (b) when calculating the amount for the purposes of sub-paragraph (3)(d); and

H is the aggregate of the council tax bases for the area of each restructuring efficiency authority, but ignoring any restructuring efficiency authority which is a county council.

- (6) For the purposes of this paragraph—

- (a) the forecast cumulative efficiency savings for the preceding year, and
- (b) the baseline expenditure,

of a restructuring efficiency authority which is a county council are the savings and the expenditure of that authority only to the extent that they are relevant to the billing authority’s area.

23C. The information to be included in relation to each of the matters in paragraphs 23A and 23B is the information identified in the relevant document—

- (a) as information to be contained in a council tax demand notice; and
- (b) as information which is relevant to—
 - (i) the matter, and
 - (ii) the billing authority.”.

Schedule 3

7. In Schedule 3 (information to be supplied with notices)—

- (a) in Part 1 (information to be supplied with council tax demand notices), after paragraph 7 insert the following paragraphs—

“7A.—(1) This paragraph applies if there are no restructuring efficiency authorities in relation to the billing authority’s area and the relevant year.

(2) The following matters in relation to each efficiency authority which is not a multi-function authority—

- (a) the forecast cumulative efficiency savings for the preceding year;

- (b) the matter mentioned in paragraph (a) expressed as a percentage of the authority's baseline expenditure, that percentage rounded to the nearest decimal place;
- (c) the amount calculated by applying the following formula, that amount rounded to the nearest pound—

$$\frac{I}{J}$$

where—

I is the matter referred to in paragraph (a), and

J is the council tax base for the efficiency authority's area; and

- (d) the relevant benchmark.

(3) The following matters in relation to each efficiency authority (if any) which is a multi-function authority—

- (a) the forecast cumulative efficiency savings for the preceding year in respect of the authority's fire and rescue functions;
- (b) the forecast cumulative efficiency savings for the preceding year in respect of the authority's functions other than its fire and rescue functions;
- (c) the matter mentioned in paragraph (a) expressed as a percentage of the authority's baseline expenditure for its fire and rescue functions, that percentage rounded to the nearest decimal place;
- (d) the matter mentioned in paragraph (b) expressed as a percentage of the authority's baseline expenditure for its functions other than its fire and rescue functions, that percentage rounded to the nearest decimal place;
- (e) the two amounts calculated by applying the following formula, each amount rounded to the nearest pound—

$$\frac{K}{L}$$

where—

K is—

(a) the matter referred to in paragraph (a) when calculating the first amount, and

(b) the matter referred to in paragraph (b) when calculating the second amount; and

L is the council tax base for the efficiency authority's area; and

- (f) the relevant benchmark.

7B.—(1) This paragraph applies if there are restructuring efficiency authorities in relation to a billing authority's area and the relevant year.

(2) If there are one or more efficiency authorities in relation to the billing authority's area and the relevant year, the following matters—

- (a) the following matters in relation to each efficiency authority—
 - (i) the forecast cumulative efficiency savings for the preceding year,
 - (ii) the matter mentioned in sub-paragraph (i) expressed as a percentage of the authority's baseline expenditure, that percentage rounded to the nearest decimal place,
 - (iii) the amount calculated by applying the formula in sub-paragraph (4), that amount rounded to the nearest pound,
 - (iv) the relevant benchmark;

- (b) the aggregate of the forecast cumulative efficiency savings for the preceding year for each restructuring efficiency authority;
 - (c) the matter in paragraph (b) expressed as a percentage of the aggregate of each restructuring efficiency authority's baseline expenditure, that percentage rounded to the nearest decimal place;
 - (d) the amount calculated by applying the formula in sub-paragraph (5), that amount rounded to the nearest pound;
 - (e) the benchmark for restructuring efficiency authorities.
- (3) If sub-paragraph (2) does not apply, the following matters—
- (a) the following matters in relation to each restructuring efficiency authority which is a multi-function authority—
 - (i) the forecast cumulative efficiency savings for the preceding year in respect of the authority's fire and rescue functions,
 - (ii) the matter mentioned in sub-paragraph (i) expressed as a percentage of the authority's baseline expenditure for its fire and rescue functions, that percentage rounded to the nearest decimal place,
 - (iii) the amount calculated by applying the formula in sub-paragraph (4),
 - (iv) the relevant benchmark;
 - (b) the aggregate of the forecast cumulative efficiency savings for the preceding year in respect of functions other than fire and rescue functions for each restructuring efficiency authority;
 - (c) the matter in paragraph (b) expressed as a percentage of the aggregate of each restructuring efficiency authority's baseline expenditure for its functions other than fire and rescue functions, that percentage rounded to the nearest decimal place;
 - (d) the amount calculated by applying the formula in sub-paragraph (5), that amount rounded to the nearest pound;
 - (e) the benchmark for restructuring efficiency authorities.
- (4) The formula is—

$$\frac{M}{N}$$

where—

M is—

- (a) the matter referred to in sub-paragraph (2)(a)(i) when calculating the amount for the purposes of sub-paragraph (2)(a)(iii), or
- (b) the matter referred to in sub-paragraph (3)(a)(i) when calculating the amount for the purposes of sub-paragraph 3(a)(iii); and

N is the council tax base for—

- (a) the efficiency authority's area when calculating the amount for the purposes of sub-paragraph (2)(a)(iii), or
- (b) any part of the restructuring efficiency authority's area which is in the billing authority's area when calculating the amount for the purposes of sub-paragraph (3)(a)(iii).

(5) The formula is—

$$\frac{P}{Q}$$

where—

P is—

- (a) the matter in sub-paragraph (2)(b) when calculating the amount for the purposes of sub-paragraph (2)(d), or
- (b) the matter in sub-paragraph (3)(b) when calculating the amount for the purposes of sub-paragraph (3)(d); and

Q is the aggregate of the council tax bases for the area of each restructuring efficiency authority, but ignoring any restructuring efficiency authority which is a county council.

(6) For the purposes of this paragraph—

- (a) the forecast cumulative efficiency savings for the preceding year, and
- (b) the baseline expenditure,

of a restructuring efficiency authority which is a county council are the savings and the expenditure of that authority only to the extent that they are relevant to the billing authority's area.

7C. The information to be included in relation to each of the matters in paragraphs 7A and 7B is the information identified in the relevant document—

- (a) as information to be supplied with a council tax demand notice; and
- (b) as information which is relevant to—
 - (i) the matter, and
 - (ii) the billing authority.”; and

(b) in Part 3 (interpretation, etc.), after paragraph 3 insert the following paragraphs—

“3A.—(1) Subject to sub-paragraph (2), in paragraphs 7A and 7B of Part 1, “relevant benchmark” means—

- (a) in relation to—
 - (i) an efficiency authority which is not a multi-function authority, or
 - (ii) a restructuring efficiency authority which is a multi-function authority,the amount calculated by applying the formula in sub-paragraph (2), that amount rounded to the nearest pound; and
- (b) in relation to an efficiency authority which is a multi-function authority, the two amounts calculated by applying the formula in sub-paragraph (3), each amount rounded to the nearest pound.

(2) The formula is—

$$\frac{R}{S}$$

where—

R is—

- (a) if the authority is an efficiency authority but not a fire and rescue authority, the aggregate of the forecast cumulative efficiency savings for the preceding year in respect of functions other than fire and rescue functions for each authority which is in the category of authority which includes that authority, or
- (b) if the authority is—
 - (i) a fire and rescue authority, or
 - (ii) a restructuring efficiency authority,

the aggregate of the forecast cumulative efficiency savings for the preceding year in respect of fire and rescue functions for each authority which is in the fire and rescue category; and

S is—

- (a) if the authority is an efficiency authority but not a fire and rescue authority, the aggregate of the council tax bases for the area of each authority which is in the category of authority which includes that authority, or
- (b) if the authority is—
 - (i) a fire and rescue authority, or
 - (ii) a restructuring efficiency authority,

the aggregate of the council tax bases for the area of each authority which is in the fire and rescue category.

(3) The formula is—

$$\frac{T}{U}$$

where—

T is—

- (a) when calculating the first amount, the aggregate of the forecast cumulative efficiency savings for the preceding year in respect of fire and rescue functions for each authority which is in the fire and rescue category, and
- (b) when calculating the second amount, the aggregate of the forecast cumulative efficiency savings for the preceding year in respect of functions other than fire and rescue functions for each authority which is in the category of authority which includes the efficiency authority; and

U is—

- (a) when calculating the first amount, the aggregate of the council tax bases for the area of each authority which is in the fire and rescue category, and
- (b) when calculating the second amount, the aggregate of the council tax bases for the area of each authority which is in the category of authority which includes the efficiency authority.

3B. In paragraph 7B of Part 1, “benchmark for restructuring efficiency authorities” means the amount calculated by applying the following formula, that amount rounded to the nearest pound—

$$\frac{V}{W}$$

where—

V is the aggregate of the forecast cumulative efficiency savings for the preceding year in respect of functions other than fire and rescue functions for each authority which is a restructuring efficiency authority in relation to the relevant year; and

W is the aggregate of the council tax bases for the area of each of those authorities, but ignoring any restructuring efficiency authority which is a county council.

3C. In paragraph 3A, “fire and rescue category” means a category of authority which consists of—

- (a) fire and rescue authorities, and
- (b) multi-function authorities.

3D.—(1) Subject to sub-paragraph (3), in paragraph 3A, a reference to a category of authority which includes an efficiency authority is a reference to the category of authority in sub-paragraph (2) which includes that authority.

(2) The categories are—

- (a) non-metropolitan district councils in relation to any area for which there is a county council;
- (b) non-metropolitan district councils in relation to any area for which there is not a county council;
- (c) county councils in relation to any area for which there is one or more district councils;
- (d) county councils in relation to any area for which there are no district councils;
- (e) metropolitan district councils; and
- (f) London borough councils.

(3) For the purposes of paragraph 3A, it must be assumed—

- (a) that the category in sub-paragraph (2)(b) includes—
 - (i) the Isle of Wight Council, and
 - (ii) the Council of the Isles of Scilly; and
- (b) that the category in sub-paragraph (2)(f) includes the Common Council of the City of London.”.

Signed by authority of the Secretary of State for Communities and Local Government

John Healey
Minister of State

18th December 2008

Department for Communities and Local Government

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations modify the Council Tax and Non-Domestic Rating (Demand Notices) (England) Regulations 2003 (“the 2003 Regulations”). The Regulations apply in relation to England for the financial year beginning on 1st April 2009 only.

Schedule 1 to the 2003 Regulations sets out the matters to be contained in council tax demand notices and Schedule 3 the information to be supplied with such notices.

Regulation 3 inserts a number of definitions in regulation 1(2) of the 2003 Regulations. In particular, “relevant document” is defined as the document “Efficiency information to be contained in and supplied with 2009-10 council tax demand notices” published on the website of the Department for Communities and Local Government a copy of which has been deposited at the Department’s principal office, and “fire and rescue functions” are defined by reference to Part 2 of the Fire and Rescue Act 2004. The regulation also inserts a new regulation 1(5), which concerns the calculation of council tax bases.

Regulation 4 inserts a new paragraph 1A in Schedule 1 of the 2003 Regulations. This paragraph defines the terms “efficiency authority”, “restructuring efficiency authority” and “multi-function authority” in relation to a billing authority’s area.

Regulation 5 inserts a new paragraph (2A) in regulation 3 of the 2003 Regulations. This new paragraph disapplies the requirements in paragraphs 23A or 23B of Schedule 1 to the 2003 Regulations in certain circumstances where a further council tax demand notice is served for the relevant year.

Regulation 6 inserts new paragraphs 23A, 23B and 23C in Schedule 1 to the 2003 Regulations. New paragraph 23A requires information concerning the efficiency savings of each efficiency authority to be included in a council tax demand notice. In relation to multi-function authorities, this information must be provided separately for the authority’s fire and rescue and functions and its other functions (new paragraph 23A(2)(a) and (b)). The aggregate of those amounts must be stated by reference to the council tax base for each efficiency authority’s area (new paragraph 23A(2)(c)).

New paragraph 23B applies where local government restructuring occurs at the start of the relevant year. Similar information must be provided in relation to any efficiency authorities and restructuring efficiency authorities, although matters relating to restructuring authorities are provided in aggregate.

Regulation 7 inserts new paragraphs 7A, 7B and 7C in Part 1 of Schedule 3. New paragraph 7B applies where local government restructuring occurs in the relevant year. New paragraphs 7A and 7B require similar information to be supplied with council tax demand notices, as new paragraphs 23A and 23B respectively require to be contained in those demand notices. In particular, a “benchmark figure” or a “benchmark restructuring figure” needs to be stated for each efficiency authority or restructuring efficiency authority. These terms are defined in new paragraphs 3A to 3D of Part 3 of Schedule 3 to the 2003 Regulations.

Under new paragraphs 23A, 23B, 7A and 7B, information only needs to be contained in, or supplied with, a council tax demand notice to the extent that the information is included in the relevant document (see new paragraph 23C of Schedule 1, and new paragraph 7C of Part 1 of Schedule 3, to the 2003 Regulations).

A copy of the relevant document referred to in these Regulations may be obtained at the following web address—

<http://www.communities.gov.uk/localgovernment/efficiencybetter/deliveringefficiency/counciltax/notices/>.

A copy of the document has also been deposited at the principal office of the Department for Communities and Local Government, the address of which is; The Department for Communities and Local Government, Eland House, Bressenden Place, London SW1E 5DU. That copy may be inspected at the same address.

A full impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

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