



Department of the Environment
Room
2 Marsham Street London SW1P 3EB
Telex 22221 Direct line 01-212
Switchboard 01-212 3434
GTN 212

17 August 1990

The Chief Finance Officer
County Councils in England
District Councils in England
London Borough Councils
The Town Clerk, City of London
The Clerk, Council of the Isles of Scilly
The Receiver for the Metropolitan Police District
The Clerk
Metropolitan Police Authorities
Metropolitan Fire and Civil Defence Authorities
London Fire and Civil Defence Authority
The Secretary, Northumberland Police Authority
The Secretary, National Association of Local Councils

Dear Sir or Madam

COMMUNITY CHARGE BILL

In his statement of 19 July in the House of Commons the Secretary of State explained he was minded to change community charge bills for 1991-92 so that chargepayers were clearer about the expenditure of different tiers of local government and the effect this had on bills.

2. It is therefore proposed that the Community Charges and Non-Domestic Rating (Demand Notices) (England) Regulations 1990 will be amended later this year to prescribe a new form of bill.

3. Alternative versions of how the new bill may be set out are attached at Annexes A and B to this letter. For simplicity the illustrations focus on the relationship between county, district and parish. Comparable wordings will be prescribed for metropolitan areas. Both versions have a number of common features

- the heading of the bill would now show all the authorities whose expenditure is supported from the Collection Fund. Previously many chargepayers assumed the level of charges was entirely attributable to the spending of a charging authority. The requirement to include the name of the Chief Finance Officer and address of the charging authority in the heading is dropped, though these items may be included in the payment instruction at the foot of the bill.

- the preamble defining the community charge and its level for a standard level of service is shortened.

- adjustments will no longer be shown in a separate line since too many chargepayers assumed these were entirely attributable to collection shortfalls and some attempted to withhold payment of this element. Adjustments must continue to be accounted for but the effects of forecast shortfalls, anticipated register movements and standard charge revenue may all now be subsumed within the district, borough or city council's expenditure.

- as before it will be a requirement that each bill includes a set of prescribed notes. Previously slightly different versions of the notes were prescribed for the personal, collective, standard and student version of the bill. For 1991-92 there will be a single prescribed Note which is simpler and shorter. A copy of the Note proposed is at Annex C. It is accepted that there may be slight modifications in Annex C depending upon which alternative bill is adopted.

Version A of the Community Charge Bill

4. This commences with the community charge for a standard level of service followed by a series of additions and reductions in a single column leading to the chargepayer's liability. Details of the proportion of county to district expenditure (where relevant) and per capita totals of all expenditure compared with that funded by grant, business rates and by fees and charges would be included above the calculation.

Version B of the Community Charge Bill

5. Here the CCSS figure is contained in a short preamble followed by a two-column presentation emphasising per capita departures from CCSS, for which purpose Area Protection Grant (where applicable) is deducted in a separate line from Revenue Support Grant. There is no requirement to include information about the amount of expenditure supported through fees and charges or through specific grant.

Accompanying Information

6. The Department does not propose to change the existing provisions about information (usually produced in booklet form) which must accompany the bill and which is prescribed in Schedule 3 of the 1990 Regulations.


Consultation

All the proposals contained in this letter relate to England. A copy of this letter and its attachments have today been sent to the Local Authority Associations and to all the organisations listed in Annex D with a request for comments and views on which of the two versions are preferred to reach this Department by Friday 28 September. If in the meantime you have any queries

please contact John Auger (071 276 3023) or Tony Teehan (071 276 3125). It would be useful if those local authorities who wish to write to the Department with their views copied their correspondence to the appropriate association.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'Tony Teehan', written over a horizontal line.

 RICHARD JONES
Finance (Local Taxation B) Division

Barsetshire County Council Silverbridge District Council

Framley Parish Council

Date of issue:

COMMUNITY CHARGE BILL 199[]-[]

To: (Name and address of chargepayer)

Address of property giving rise to charge (if different)

County Council spending accounts for []% of revenue in your area. Total spending by all the authorities in your area amounts to £[] per head, of which £[] is funded by Government grant, £[] by business rates and £[] from fees and charges.

You are shown in Silverbridge District Council's community charges register as subject to a personal community charge. Your community charge is made up as follows.

	£
Your community charge if local authorities provided a standard level of service*	379
Addition/reduction resulting from county council spending plans	+50
Addition/reduction arising from district and parish council spending plans and other adjustments	-10
Government area protection grant	-30
Community charge for your area	389
Your Government transitional relief	-19
Your Government Rebate	-60
AMOUNT PAYABLE BY YOU	310

Payment Instructions

[Insert the instalments or other payments required to be made under the notice and details of how these payments can be made, and, if applicable, details of any discount or credits brought forward]

*See notes for an explanation of this and other terms

Barsetshire County Council Silverbridge District Council

Framley Parish Council

Date of issue:

COMMUNITY CHARGE BILL 199[]-[]

To: [Name and address of chargepayer]

Address of property giving rise to charge (if different)

You are shown in Silverbridge District Council's community charges register as subject to a personal community charge. The community charge in your area if local authorities provided a standard level of service* would be £379 (less any Area Protection Grant). Your community charge is made up as follows.

No reduction of -10

	Your authorities' plans £ per head	Addition or reduction resulting from plans of your authorities £ per head
Barsetshire County Council	750	+50
Silverbridge District Council	145	} -10
Framley Parish Council	5	
Less Government Grant	281	
Less Business rates	2,300	
Community Charge before adjustment	419	
Less Government Area Protection Grant	30	
Community charge for your area	389	

The following other Government reductions have been made:

Government Transitional relief	19
Government Rebate	60

Amount payable by you	£310
------------------------------	-------------

Payment Instructions [Details of instalments or other payments required to be made under the notice and how these payments can be made, and, if applicable, details of any discount or credits brought forward]

*See notes for an explanation of this and other terms

EXPLANATORY NOTES

The community charge helps to pay for spending by the local authorities in your area. The rest of their spending is supported by Government Revenue Support Grant; by rates paid by businesses; by other Government grants; and by fees, charges and other income.

All the authorities listed at the top of your bill provide some services in your area and their spending plans are separately detailed so that you can see the effect they are having on your bill. One of these authorities, the charging authority, has the job of collecting community charges for itself and the other authorities in your area. The charging authority's name and address appears at the foot of the bill and is the authority to which you should pay your community charge. The community charge is however a contribution to the costs of services providing by all authorities in your area and not just those of the charging authority.

COMMUNITY CHARGE FOR STANDARD LEVEL OF SERVICE: The amount of £379 is based on the Government's view of what would be appropriate for the authorities [local authorities and other spending bodies] in your area to spend broadly to provide a standard level of service. It takes into account the Government's revenue support grant which is shared out between authorities on the basis of the particular circumstances of their areas. It also takes into account income received from rates charged on non-domestic property. This is paid into a central pool managed by the Department of the Environment and shared out in proportion to the number of chargepayers in authorities' areas. Different arrangements apply to the City of London.

ADDITION OR REDUCTION RESULTING FROM PLANS OF YOUR AUTHORITIES: Local authorities and other spending bodies are free to provide a different level of service to the standard level and may vary in their efficiency. The addition or reduction indicated for your charging authority is a net figure after adjustments are made in respect of

- interest payable on certain amounts held by the charging authority
- changes in income due to movement of people on and off the community charges register
- anticipated income from standard community charges
- any shortfall forecast by the charging authority in collecting community charges.

Because of this your community charge may not be the same as the community charge for standard level of service.

AREA PROTECTION GRANT: [Name of authority] receives this grant temporarily from the Government in order to help chargepayers cope with the change to the community charge. This extra help will be phased out over the next few years.

INNER LONDON EDUCATION GRANT: [Name of authority] also receives this grant temporarily from the Government to help with the cost of providing an education service following the abolition of the Inner London Education Authority.

TRANSITIONAL RELIEF: Personal community chargepayers in some properties may be entitled to relief calculated by reference to the difference between an assumed rate bill for 1989-90 and the community charge which your authority would set if authorities in the area were spending in line with assumptions made by the Government.

REBATES: People on low incomes are entitled to community charge benefit of up to 80% to help pay the personal community charge. People on income support receive an amount in their income support to help them pay the remaining 20%.

PENALTY: If an amount is shown in respect of a penalty or penalties being recovered under the bill and you have not previously been informed of the ground on which it has or they have been imposed, further particulars will be found in the information accompanying the bill.

LIST OF ORGANISATIONS TO RECEIVE THE CONSULTATION PAPER ON THE
COMMUNITY CHARGE DEMAND NOTICE

Scottish Office
Welsh Office
Department of Social Security
Home Office
Lord Chancellors Department
Ministry of Defence
Department of Employment
Department of Education & Science
Department of Trade and Industry
HM Treasury
Cabinet Office

Audit Commission for Local Authorities in England and Wales
Commission for Local Administration in England
Commission for Local Administration in Wales

Benefits Systems Ltd
Bluebird Software Ltd
Bull HN Information Systems Ltd
Cincom Systems UK Ltd
CMG
CSL Group Ltd
Flex
Harris Computer Developments
ICL UK Ltd
IBM UK Ltd
London on the Local Authorities (LOLA)
Lychgate PLC
McDonnell Douglas
NCR Ltd

Osella Ltd
Sanderson Computers Ltd
Software AG
Szcepanik Software Systems Ltd

Advice Services Alliance
Association of British Chambers of Commerce
CIPFA
Certificated Bailiffs Association
Charity Commission
Confederation of British Industry
Federation of Independent Advice Centres
Institute of Directors
Institute of Local Government Studies
Institute of Revenues Rating and Valuation
Law Society - Local Government Group
Magistrates Association
National Association of Citizens Advice Bureaux
National Chamber of Trade
National Committee of VCCTs
National Council for Voluntary Organisations
National Federation of Self-Help Organisations
National Federation of the Self-Employed