

THE FORMAT OF THE COMMUNITY CHARGE BILL

It was agreed in the summer that the Community Charge Bill needed changing to bring out the impact of county spending on district charges. Michael Portillo is now seeking comments on two variations: Annex A and Annex B to his note. DOE have already circulated these to local authorities for comment.

Attached for reference is a copy of the existing bill.

Michael Portillo's preference is Annex B. This is surprising. It is quite similar to the existing bill except that it fails to bring out explicitly the important contrast between the charge at standard spending and actual charge. It is not very clear.

In fact, the format of Annex A seems much better. It is shorter and clearer. It needs improvements, but subject to these it will be much better for giving people the essential information about their community charges.

The improvements needed to Annex A are as follows:

1. The Title

Highlighting the Council and District together is excellent. But including the parish is not. DOE have overlooked the fact that each district would have to have lots of different bills printed and ensure that they were correctly assigned to people in each parish. Registration officers probably don't even have this information. It would be an administrative nightmare, and should be dropped.

In unitary authorities like London boroughs, it would be necessary to include Police and Fire Authorities in the title.



## 2. The small print box below the address panel

This is confusing. It mixes up spending and revenue, and it is unclear whether it is referring to standard spending or to budgets.

The two points to get across here are that:

- community charge contributes only about 30% of total local government spending;
- support per head from taxpayers is fixed, to show how much more comes from general taxation than individual chargepayers.

These points could either be put in a box here, or at the bottom of the page.

## 3. The main boxes

These need two changes:

- to make absolutely clear the distinction between county and district spending;
- to deal with the problem of "other adjustments". (In particular, upward adjustments because of shortfalls in collection).

### County/District spending

The first box needs to be bigger and to give separate figures for county and district standard spending as well as the total. This is the essential message and will also make the next two boxes easier to understand.

### "Other adjustments"

As Michael Portillo acknowledges, there are arguments for and against showing these separately, although local authorities have been



consulted on the basis that they should not be shown separately.

In my view there is no option but to keep them separate. As it stands Box 3 is faulty because even if District Councils spent at or below standard spending, a significant "other adjustment" would mean they were shown as spending at a much higher level.

The same criticism can be levelled at Annex B. By including adjustments in a single net charge figure the likelihood is that every District will be shown as spending above standard spending even if they are not.

There is great sensitivity in this since it is likely that, because of collection shortfalls this year and more pessimistic assumptions about collection next year, "other adjustments" figures in 1991 could be quite high. £40 or more is already being talked about by some authorities.

Trying to hide this in net figures would be a mistake. It wouldn't stay hidden. Far better to have it out in the open to buttress the point that the great majority who do pay are having to pay more to cover those who don't.

I suggest therefore that after Box 3 there is a further box with two elements:

- one for positive adjustments which decrease the charge, ie interest receivable and standard charge income;
- and one for negative adjustments which increase the charge ie lower population and collection shortfalls.

### Conclusion and Recommendation

Despite all the work which went into it, this year's bill was heavily criticised as unclear. A format based on Annex B will not make much difference to this. Annex A however offers a much better basis for improvement, and I recommend you express a preference for that one subject to the points of detail set out above.

You need to ask Michael Portillo to let you see a further draft. It is essential that this exercise is got right so that county/district spending and the reasons for high "other adjustments" are crystal clear.

*John Mills*  
JOHN MILLS



# COMMUNITY CHARGE BILL, 1990-91

THIS  
YEAR'S BILL

## NORTH BARSET DISTRICT COUNCIL

Mr J.K. Smith  
15 Green Street  
BARSET  
BA1 1RJ

1st April 1990

You are shown in the North Barset District Council's Community Charges Register as being subject to a **Personal Community Charge**.

The Community Charge helps to pay for spending by the local authorities in your area. The rest of their spending is supported by Government Standard Spending Grant; by rates paid by businesses; by other Government grants; and by fees, charges and other income. Standard Spending Grant is calculated on the basis that a **standard level of service** can broadly be provided everywhere in England for a community charge of **£275**.

The Community Charge for your area is made up as follows:

	YOUR AUTHORITIES' PLANS * £ per head	AMOUNT FOR STANDARD LEVEL OF SERVICE £ per head
Barsetshire County Council	750	735
North Barset District Council	100	} 100
Barset Parish Council	5	
<b>Less</b> Government Standard Spending Grant	310	310
Business rates	250	250
<b>Charge before adjustments</b>	<b>295</b>	<b>275</b>

**Less** contribution from safety net

**Plus** Other adjustments

COMMUNITY CHARGE FOR 1990-91

25
10
<b>280</b>

Charge for 1.4.90 to 31.3.91

**Less** your Government transitional relief

**Less** your Government rebate

AMOUNT PAYABLE BY YOU

280
=
<b>£280</b>

\* Your authorities' plans are shown after deducting other Government grants estimated at £140 per head, and fees, charges and other income estimated at £50 per head.