



Department for
Communities and
Local Government

Localising support for council tax

Analysis of responses to funding arrangements consultation

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February 2013

ISBN: 978-1-4098-3797-8

Analysis of Responses

- 1.1 In preparation for the introduction of localised council tax support in April 2013, the Government consulted on an aspect of the funding arrangements to support authorities to offer council tax support. *Localising Support for Council Tax – Funding Arrangements consultation* (the ‘funding consultation’) was published in May and closed in July 2012.¹
- 1.2 The paper *Localising Support for Council Tax – Update on Funding Arrangements*², published in November, summarised the views received in response to the funding consultation on setting a budget pressure floor and ceiling and confirmed the Government’s approach on this issue. It also provided an update on wider aspects of the funding arrangements for local council tax support schemes for billing and major precepting authorities.
- 1.3 Further to that policy update, this document provides additional analysis of who responded to the funding consultation, further detail on their responses to the consultation question on damping and the most common views on other issues.

Who responded?

- 1.4 The funding arrangements consultation, which was published on 17 May 2012 and closed on 12 July 2012, received 224 responses. This included 103 responses from receiving authorities (billing and major precepting authorities) out of a possible 421 in England³ (24%). Just over half of the responses were from parish and town councils.

¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/8358/2146648.pdf

² [https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/15327/20121126 -
Update on funding arrangements VERSION TO NT.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/15327/20121126_-_Update_on_funding_arrangements_VERSION_TO_NT.pdf)

³ Table 1.6a of the Local Government Financial Statistics England No. 22 2012 publication
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7476/2158981.pdf

1.5 The following table provides a break-down of respondents.

Table 1: Respondents		
	Number of replies	Percentage of replies
Billing authorities	65	29%
County Council preceptors	16	7%
Fire and rescue authorities	9	4%
Police authorities	4	2%
Local precepting authorities	119	53%
Mixed representative organisations ⁴	9	4%
Individuals	2	1%
TOTAL	224	100%

Addressing budget pressures

1.6 The following question was asked:

“Do you agree that floors and ceilings should be created to ensure that no local authority faces a greater than specified revenue budget pressure?”

- 1.7 41% (91) of respondents stated a view.⁵ Of this group 74% agreed with the proposed approach. Comments included that this would be “a sensible way of protecting smaller authorities”.⁶ The respondents who agreed included the Society of District Council Treasurers, which posed the question directly to its membership and found that 88% (53) of the respondents were in agreement.
- 1.8 Of the 24 responses opposing the proposal, around half agreed that there should indeed be a mechanism in place to address greater than specified budget pressures but proposed an alternative methodology.
- 1.9 As expected, the responses to the consultation question from different types of respondents differed. The table below provides a breakdown of responses to the question by category of authority.

⁴ Mixed representative organisation covers those which represent a variety of different types of respondent. Representative organisations which only represent one category of authority have been included within that category (e.g. representative organisations, whose members are exclusively from billing authorities, have been included within the billing authorities category.)

⁵ Given that the majority of responses to the consultation were from parish or town councils, a significant proportion did not answer this question which relates to funding for principal authorities.

⁶ County Councils Network, Society of County Treasurers, Essex Authorities.

Table 2: Breakdown of responses to the consultation question by type of respondent				
	Agree	Disagree	No view	Total
Billing authorities	35	17	13	65
County Councils preceptors	12	1	3	16
Police authorities	1	1	2	4
Fire and rescue authorities	7	2	0	9
Local precepting authorities	7	1	111	119
Mixed representative organisations	5	2	2	9
Individuals	0	0	2	2
Total	67	24	133	224

Other issues raised

1.10 As well as responding directly to the consultation question, respondents also provided comments on the wider policy.

1.11 For example, some billing and major precepting authorities⁷ commented on expected rates of council tax collection (33% (34) of billing authority and major precepting authority respondents) and take-up of council tax support (25% (26) of billing authority and major precepting authority respondents). Government is clear that authorities will rightly want to consider how the design of their local scheme impact on issues such as these. These reforms give local authorities a significant degree of control over how they design their local schemes, enabling them to reflect local priorities including their assessment of council tax collection rates.

1.12 Some respondents (39% (40) of billing authority and major precepting authority respondents) also commented on the fact that allocations will not reflect pensioner numbers. The consultation document sets out clearly that Government has considered this option and why it does not consider it appropriate. Firstly, this is due to the fact that it does not take into account the level of council tax benefit expenditure as a proportion of a council's total budget. This means that in some areas, while the proportion of pensioners may be high, the level of council tax benefit spending overall is relatively low. Secondly local authorities already have important choices about how to manage the reduction in funding and will be able to use those choices to adapt their local scheme to local circumstances.

⁷ This is taken throughout to include billing authorities, county council preceptors, police authorities, fire & rescue authorities and mixed representative organisations, as set out in Table 1.

- 1.13 Slightly under a quarter of respondents (half of billing authority and major precepting authority respondents⁸) had questions about the forecast used as the basis for allocations and/or suggested an alternative for calculating the total funding for distribution. *Localising Support for Council Tax – Update on Funding Arrangements* addresses this by providing additional detail on the forecast.
- 1.14 Comments were also received on the proposed approach to the treatment of local precepting authorities. The Government has published *Council tax base and funding for local precepting authorities: A summary of consultation responses* which considers the issue of funding for parish and town councils and sets out the Government's approach.⁹

⁸ 51 respondents.

⁹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/15326/Annex_A_Council_tax_base_consultation_response_-_07_Novt_-_v3_4_.pdf