

Department for Communities and Local Government

**Local Government
Finance (England)**

**The Referendums
Relating to Council
Tax Increases
(Alternative Notional
Amounts)
Report (England)
2013/2014**

Department for Communities and Local Government

**Local Government
Finance (England)**

**The Referendums
Relating to Council
Tax Increases
(Alternative Notional
Amounts)
Report (England)
2013/2014**

Presented to the House of Commons pursuant to section
52ZE(1) of the Local Government Finance Act 1992 as
amended by Schedule 7 to the Localism Act 2011

*Ordered by The House of Commons
to be printed on 4 February 2013*

© Crown copyright 2013

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or e-mail: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this publication should be sent to us at:

Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
Telephone: 030 3444 0000

This publication is available for download at www.official-documents.gov.uk and from our website at www.gov.uk/dclg

ISBN: 9780102981605

Printed in the UK by The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office

ID 2539267 02/13

Printed on paper containing 75% recycled fibre content minimum.

Referendums relating to Council Tax Increases (Alternative Notional Amounts) (England) Report 2013/14

Introduction

Legislative background

1. Under section 52ZB of the Local Government Finance Act 1992¹ (“the 1992 Act”) each billing authority, major precepting authority and local precepting authority² in England is required to determine whether its relevant basic amount of council tax³ for a financial year (“the year under consideration”) is excessive. Such a determination must be made as soon as is reasonably practicable after the principles determined by the Secretary of State under section 52ZC of the 1992 Act have been approved by the House of Commons.
2. The principles determined by the Secretary of State under section 52ZC must include a comparison between:
 - the authority’s relevant basic amount of council tax for the year under consideration; and
 - the authority’s relevant basic amount of council tax for the immediately preceding financial year⁴.
3. Under section 52ZE of the 1992 Act the Secretary of State has power in relation to the year under consideration to make a report specifying an amount (“an alternative notional amount”) which he thinks should be used by an authority as the basis of any comparison in applying section 52ZC in place of the authority’s relevant basic amount of council tax for the preceding year. If the report is approved by resolution of the House of Commons the alternative notional amount is used for the purposes of the comparison referred to in section 52ZC of the 1992 Act.

The Report

4. This report is made by the Secretary of State for Communities and Local Government (“the Secretary of State”) and is laid before the House of Commons under section 52ZE of the 1992 Act.
5. It relates to the authorities listed in Annex A of this Report (“the relevant authorities”). In relation to these authorities it specifies alternative notional amounts which will apply in relation to the financial year 2012-13. It also sets out such explanation as the Secretary of State thinks desirable of

¹ Chapter 4ZA of Part 2 of the 1992 Act (sections 52ZA to 52ZY) inserted by the Localism Act 2011, Schedule 5.

² Billing authority, major precepting authority and local precepting authority are defined in sections 1(2), 39(1) and 39(2) of the 1992 Act respectively.

³ See section 52ZX of the 1992 Act for the meaning of “relevant basic amount of council tax”.

⁴ See section 52ZC(2) and (3) of the 1992 Act.

the need for the calculation of the alternative notional amounts and the method for that calculation.

6. If this report is approved by resolution of the House of Commons, in relation to the financial year beginning on 1st April 2013 (the year under consideration) the alternative notional amounts specified must be used for the purposes of the comparison referred to in section 52ZC of the 1992 Act⁵.

Alternative notional amounts

7. Annex A of this Report sets out amounts by reference to the relevant authorities.

8. In relation to the financial year beginning on 1st April 2012 (the year preceding the year under consideration), the Secretary of State specifies those amounts as alternative notional amounts for those authorities.

Need for the calculation of alternative notional amounts

9. Annex B of this Report contains such explanation as the Secretary of State thinks desirable of the need for the calculation of the alternative notional amounts.

Method for calculation of alternative notional amounts

10. Annex C of this Report contains such explanation as the Secretary of State thinks desirable of the method for the calculation of the alternative notional amounts.

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

Parliamentary Under Secretary of State
Department for Communities and Local Government
1 February 2013

⁵ See section 52ZE(5) of the 1992 Act.

Annex A

Alternative Notional Amounts as regards the financial year beginning on 1 April 2012

Local Authority	Alternative Notional Amount for 2012/13 (£)
Arun	156.33
Barking & Dagenham	786.87
Barnet	1,033.48
Barnsley	925.16
Bassetlaw	138.54
Bath & North East Somerset UA	1,198.41
Bexley	1,120.07
Birmingham	858.24
Blackpool UA	1,303.87
Bolton	642.20
Bracknell Forest UA	1,091.80
Bradford	906.91
Brent	1,025.46
Brighton & Hove UA	1,260.74
Bristol UA	1,331.18
Broadland	108.13
Bromley	978.74
Bury	777.48
Calderdale	1,059.84
Cambridgeshire	1,076.84
Camden	770.58
Cheshire West and Chester UA	1,248.88
Chichester	132.23
City of London	776.56
City of Nottingham UA	1,376.23
Cornwall UA	1,237.11
Coventry	1,075.79
Croydon	1,134.84
Cumbria	1,156.68
Darlington UA	1,188.34
Devon	1,115.28
Doncaster	778.65
Dorset	1,163.57
Dover	162.48
Dudley	915.79
Ealing	793.27
East Cambridgeshire	126.30
East Riding of Yorkshire UA	1,200.86
East Sussex	1,155.47
Eastbourne	218.26
Enfield	1,021.00
Essex	1,079.91
Fenland	192.31
Gateshead	1,181.40
Gravesham	170.29

Great Yarmouth	136.62
Greenwich	957.06
Hackney	845.62
Halton UA	1,128.79
Hambleton	87.17
Hammersmith & Fulham	608.43
Haringey	1,072.08
Harrow	1,152.11
Hartlepool UA	1,413.65
Havering	1,046.38
Hertfordshire	1,113.52
Hillingdon	1,103.37
Horsham	139.52
Hounslow	969.59
Huntingdonshire	121.27
Isles of Scilly	1,029.13
Islington	680.39
Kensington & Chelsea	643.25
Kent	1,047.07
King's Lynn and West Norfolk	61.64
Kingston upon Hull UA	1,088.94
Kingston upon Thames	1,343.03
Kirklees	1,055.60
Knowsley	551.23
Lambeth	888.32
Leeds	953.61
Leicester City UA	1,226.11
Lewes	188.70
Lewisham	1,017.50
Liverpool	579.12
Luton UA	1,180.80
Maidstone	220.34
Manchester	433.52
Merton	1,095.41
Middlesborough UA	1,300.99
Milton Keynes UA	1,110.14
Newark & Sherwood	146.43
Newcastle upon Tyne	1,052.42
Newham	692.33
North East Lincolnshire UA	1,231.26
North Lincolnshire UA	1,254.97
North Somerset UA	1,138.86
North Tyneside	1,088.39
North Yorkshire	1,055.24
Nottinghamshire	1,191.89
Oldham	735.83
Oxfordshire	1,159.58
Peterborough UA	1,116.27
Plymouth UA	1,243.51
Poole UA	1,206.13
Redbridge	928.52
Redcar & Cleveland UA	1,330.43

Richmond upon Thames	1,202.00
Richmondshire	193.65
Rochdale	721.29
Rotherham	913.21
Rushcliffe	126.57
Salford	703.33
Sandwell	921.81
Sefton	762.62
Selby	103.00
Sheffield	984.58
Shepway	233.25
Solihull	1,009.96
South Cambridgeshire	112.83
South Gloucestershire UA	1,239.51
South Tyneside	1,005.47
Southampton UA	1,237.60
Southwark	887.84
St Helens	620.56
Stockport	958.99
Stockton-on-Tees UA	1,260.06
Stoke-on-Trent UA	1,182.09
Suffolk Coastal	147.90
Sunderland	900.77
Surrey	1,147.62
Sutton	1,131.61
Swale	152.60
Swindon UA	1,143.89
Tameside	621.42
Telford and the Wrekin UA	1,124.85
Tonbridge & Malling	168.59
Tower Hamlets	859.72
Trafford	679.33
Tunbridge Wells	144.56
Wakefield	925.57
Walsall	1,150.71
Waltham Forest	1,030.13
Wandsworth	338.22
Waveney	146.70
Wealden	172.91
West Lindsey	176.60
West Sussex	1,158.79
Westminster	355.82
Wigan	891.25
Wirral	745.26
Wolverhampton	1,071.26
York UA	1,110.63

Need for the calculation of alternative notional amounts

1. In respect of the financial year 2013-14 billing authorities in England must make a council tax reduction scheme specifying the reductions which apply to amounts of council tax payable by persons, or persons in classes of persons, whom the authority considers to be in financial need⁶. Council tax benefit under Part 7 of the Social Security Contributions and Benefits Act 1992 is abolished from 1st April 2013.
2. In relation to that financial year local authorities' council tax requirements will be affected by the change from council tax benefit to council tax reduction schemes (the "localisation of council tax support"). The change in the method of funding the localisation of council tax support will affect elements in the calculation of the authority's council tax requirement under section 31A of the 1992 Act – notably the income accruing to the authority. That has a direct impact on the authority's council tax requirement, which will fall (in comparison to 2012-13). An authority's council tax base will also fall in 2013-14 (in comparison to 2012-13) as a result of the localisation of council tax support because the reductions under a council tax reduction scheme will be discounts taken into account in the calculation of its council tax base⁷.
3. As a result of these changes there will be an impact on the relevant basic amount of council tax⁸ of authorities which have levies issued to them by levying bodies. The relevant basic amount of council tax will fall, with the effect that a comparison between such amounts for 2012-13 and 2013-14 would not be on a like-for-like basis.
4. The Secretary of State has therefore calculated the alternative notional amounts for 2012-13 according to the methods explained in Annex C. For all but one of the authorities in Annex A the alternative notional amounts are calculated as if the changes to the relevant basic amount of council tax in 2013-14 caused by the localisation of council tax had been introduced in 2012-13.
5. For Knowsley Borough Council, the method of calculation referred to above would require the authority to hold a referendum were it freezing its basic amount of council tax with the amount of levies unchanged. The method of calculation for Knowsley Borough Council is a formula which allows the authority to increase its relevant basic amount of council tax by 2% and allow a freeze in its basic amount of council tax

⁶ See section 13A(2) of the 1992 Act, substituted by section 10 of the Local Government Finance Act 2012.

⁷ See the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, S.I. 2012/2914.

⁸ See section 52ZX of the 1992 Act.

without requiring a referendum (assuming there is no change to the levy amount between 2012-13 and 2013-14).

Method for calculation of alternative notional amounts

1. In this Annex –

“2012-13” means the financial year beginning on 1st April 2012;

“2013-14” means the financial year beginning on 1st April 2013;

“the 1988 Act” means the Local Government Finance Act 1988;

“the 1992 Act” means the Local Government Finance Act 1992;

“band D dwelling” means a chargeable dwelling in the authority’s area which is listed in valuation band D;

“chargeable dwelling” has the meaning given by section 4(2) of the 1992 Act;

“council tax requirement” means the amount calculated by an authority under section 31A(4) or 42A(4) of the 1992 Act;

“the CTB amount for 2012-13” is 90% of the amount of the Office for Budget Responsibility’s forecast of spending on council tax benefit in England for 2012-13;

“local precepting authority” has the meaning given by section 39(2) of the 1992 Act;

“Council tax statistics document” means the statistical publication “Council Tax levels set by local authorities in England 2012 to 2013” and supporting documents published by the Department for Communities and Local Government on 9 May 2012⁹; and

any reference to chargeable dwellings listed in valuation band D is to be construed in accordance with section 5(6) of the 1992 Act.

2. The alternative notional amount for each authority mentioned in Annex A other than Knowsley Borough Council is calculated in accordance with the formula –

$$(R - (P + L + A))$$

$$(T - (A \div B))$$

where –

A is the notional amount allocated to the authority in relation to the financial year 2012-13 for the localisation of council tax support, being its share of the CTB amount for 2012-13 allocated in the same manner as is set out in Annex E to the Local Government Finance Report 2013/2014 in relation to 2013-14 including any local precept issued to it in relation to that year;

⁹ ISBN 9781409834762; published on the Gov.uk website at <https://www.gov.uk/government/publications/council-tax-levels-set-by-local-authorities-in-england-2012-to-2013-revised>

B is the basic amount of the authority's council tax for the financial year 2012-13 in relation to a band D dwelling in its area excluding any local precept issued to it, that is, the amount calculated in accordance with section 31B(1) or 42B(1) of the 1992 Act in relation to that year;

L is the amount of any levies and special levies –

- (a) issued to the authority for 2012-13; or
- (b) anticipated by it for that financial year in pursuance of regulations under section 74 or 75 of the 1988 Act,

being the figures for such levies for that year supplied to the Secretary of State pursuant to section 52ZY(2) of the 1992 Act¹⁰;

P is the amount of any precepts –

- (a) issued to the authority for 2012-13 by local precepting authorities; or
- (b) anticipated by it for that financial year in pursuance of regulations under section 41 of the 1992 Act¹¹,

being the figure listed in relation to that authority in the Council tax statistics document¹²;

R is the authority's council tax requirement calculated by it for 2012-13, being the figure listed in relation to that authority in the Council tax statistics document¹³;

T is the authority's council tax base for 2012-13, that is, item T in the formula in section 31B(1) or 42B(1) of the 1992 Act¹⁴ (expressed as a number of band D dwellings in the authority's area) being the figure listed in relation to that authority in the Council tax statistics document¹⁵.

3. The alternative notional amount for Knowsley Borough Council is calculated in accordance with the formula –

$$(((T \times B) - L) \div T) \div 1.02$$

where –

B and L have the same meanings as in paragraph 2; and

¹⁰ In Form CTR1.

¹¹ See the Billing Authorities (Anticipation of Precepts) Regulations 1992, S.I. 1992/3239; amended by S.I. 1995/235, 2006/3395.

¹² See Table 10, column headed Parish precepts.

¹³ See Table 10, column headed Council tax requirement.

¹⁴ Item T in that formula must be calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, S.I. 2012/2914.

¹⁵ See Table 10, column headed Council tax base.

T is the authority's council tax base for 2013-14 as calculated by the authority in accordance with section 31B(1) of the 1992 Act and regulations under that section.



information & publishing solutions

Published by TSO (The Stationery Office) and available from:

Online

www.tsoshop.co.uk

Mail, Telephone, Fax & E-mail

TSO

PO Box 29, Norwich NR3 1GN

Telephone orders/General enquiries: 0870 600 5522

Order through the Parliamentary Hotline Lo-Call: 0845 7 023474

Fax orders: 0870 600 5533

Email: customer.services@tso.co.uk

Textphone: 0870 240 3701

The Houses of Parliament Shop

12 Bridge Street, Parliament Square

London SW1A 2JX

Telephone orders: 020 7219 3890/General enquiries: 020 7219 3890

Fax orders: 020 7219 3866

Email: shop@parliament.uk

Internet: <http://www.shop.parliament.uk>

TSO@Blackwell and other accredited agents

ISBN 978-0-10-298160-5



9 780102 981605