

Department for Communities and Local Government

**Local Government
Finance (England)**

**The Limitation of Council
Tax and Precepts
(Alternative Notional
Amounts) Report (England)
2011/12**

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Presented to Parliament pursuant to
section 52C of the Local Government Finance Act 1992

*Ordered by the House of Commons
to be printed on 31 January 2011*

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This publication is also available on <http://www.official-documents.gov.uk/>

ISBN: 9780102970975

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

ID 2412555 01/11

Printed on paper containing 75% recycled fibre content minimum.

The Limitation of Council Tax and Precepts (Alternative Notional Amounts) Report (England) 2011/12

Introduction

Legislative background

1. Under the Local Government Finance Act 1992 (“the 1992 Act”) the Secretary of State has power to designate or nominate an authority which in his opinion has calculated a budget requirement for a financial year (“the year under consideration”) which is excessive.
2. The Secretary of State must decide whether to exercise these powers by reference to a set of principles determined by him, and under section 52B(4) of the 1992 Act¹ those principles must include a comparison between-
 - the amount calculated by the authority as its budget requirement for the year under consideration, and
 - the amount calculated by the authority as its budget requirement for a financial year falling before the year under consideration.
3. Under section 52C of the 1992 Act² 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 in his opinion should be used in place of the amount calculated by the authority as its budget requirement for a financial year falling before the year under consideration. 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 52B(4) 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 52C of the 1992 Act.
5. It applies to all billing authorities and all major precepting authorities³ other than fire and rescue authorities (“the relevant authorities”). In relation to these authorities it specifies alternative notional amounts to reflect a range of changes which are included in the Local Government Finance Report (England) 2011/2012 and which will take effect in relation to the financial year beginning on 1st April 2011. It also sets out such explanation as the

¹ Section 52B(4) was inserted by section 30(1) and Schedule 1 of the Local Government Act 1999 and applies with effect from 1st April 2000.

² Section 52C was inserted by section 30(1) and Schedule 1 of the Local Government Act 1999 and applies with effect from 1st April 2000.

³ Billing authorities and major precepting authorities are defined in sections 1(2) and 39(1) of the 1992 Act respectively.

Secretary of State considers desirable of the calculation by him of those amounts.

6. If this report is approved by resolution of the House of Commons, in relation to the financial year beginning on 1st April 2011 (the year under consideration) the alternative notional amounts specified will be used for the purposes of the comparison referred to in section 52B(4) of the 1992 Act.

Alternative Notional Amounts

7. Annex A of this Report sets out amounts by reference to the relevant authorities.
8. As regards the financial year beginning on 1st April 2010, the Secretary of State specifies those amounts as alternative notional amounts for those authorities.

Calculation of Alternative Notional Amounts

9. Annex B contains such explanation as the Secretary of State considers desirable of the calculation by him of the alternative notional amounts specified in this Report.

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

Parliamentary Under Secretary of State
Department for Communities and Local Government

January 2011

Annex A

Alternative Notional Amounts as regards the financial year beginning on 1st April 2010

	£
GLA	3,371,227,000
<u>Inner London Boroughs</u>	
Camden	304,663,000
City of London	129,438,000
Greenwich	265,234,000
Hackney	327,957,000
Hammersmith and Fulham	203,795,000
Islington	268,727,000
Kensington and Chelsea	201,675,000
Lambeth	345,669,000
Lewisham	299,832,000
Southwark	351,626,000
Tower Hamlets	337,098,000
Wandsworth	220,113,000
Westminster	258,515,000
<u>Outer London Boroughs</u>	
Barking and Dagenham	167,004,000
Barnet	267,777,000
Bexley	169,593,000
Brent	288,028,000
Bromley	210,223,000
Croydon	284,364,000
Ealing	292,805,000
Enfield	263,111,000
Haringey	273,712,000
Harrow	182,067,000
Havering	171,031,000
Hillingdon	206,950,000
Hounslow	198,821,000
Kingston upon Thames	129,718,000
Merton	161,519,000
Newham	316,967,000
Redbridge	210,152,000
Richmond upon Thames	150,828,000
Sutton	148,817,000
Waltham Forest	225,502,000
<u>Metropolitan Districts</u>	
Barnsley	206,581,000
Birmingham	1,104,793,000
Bolton	246,035,000
Bradford	468,915,000
Bury	153,659,000
Calderdale	174,364,000
Coventry	293,315,000
Doncaster	258,324,000

Dudley	252,438,000
Gateshead	206,360,000
Kirklees	333,080,000
Knowsley	185,514,000
Leeds	624,838,000
Liverpool	543,884,000
Manchester	538,405,000
Newcastle upon Tyne	296,552,000
North Tyneside	187,941,000
Oldham	221,698,000
Rochdale	209,686,000
Rotherham	233,021,000
Salford	242,915,000
Sandwell	305,060,000
Sefton	261,417,000
Sheffield	517,036,000
Solihull	156,911,000
South Tyneside	158,694,000
St Helens	167,626,000
Stockport	235,545,000
Sunderland	273,479,000
Tameside	197,361,000
Trafford	169,485,000
Wakefield	269,619,000
Walsall	261,258,000
Wigan	264,501,000
Wirral	312,282,000
Wolverhampton	254,404,000

Shire Counties

Buckinghamshire	306,316,000
Cambridgeshire	368,548,000
Cumbria	381,734,000
Derbyshire	509,940,000
Devon	535,015,000
Dorset	275,880,000
East Sussex	371,894,000
Essex	899,182,000
Gloucestershire	403,394,000
Hampshire	741,924,000
Hertfordshire	733,423,000
Kent	931,998,000
Lancashire	802,478,000
Leicestershire	363,316,000
Lincolnshire	487,699,000
Norfolk	627,422,000
North Yorkshire	387,353,000
Northamptonshire	429,140,000
Nottinghamshire	535,360,000
Oxfordshire	426,094,000
Somerset	347,808,000
Staffordshire	494,372,000
Suffolk	498,426,000
Surrey	730,826,000

Warwickshire	353,773,000
West Sussex	519,225,000
Worcestershire	344,880,000

Shire Districts

Adur	10,250,000
Allerdale	14,014,000
Amber Valley	14,682,000
Arun	18,794,000
Ashfield	15,987,000
Ashford	13,815,000
Aylesbury Vale	20,748,000
Babergh	10,067,000
Barrow-in-Furness	12,399,000
Basildon	29,923,000
Basingstoke and Deane	14,471,000
Bassetlaw	16,181,000
Blaby	10,322,000
Bolsover	10,782,000
Boston	10,068,000
Braintree	17,783,000
Breckland	13,519,000
Brentwood	10,456,000
Broadland	12,581,000
Bromsgrove	11,645,000
Broxbourne	10,099,000
Broxtowe	13,534,000
Burnley	17,136,000
Cambridge	17,618,000
Cannock Chase	13,698,000
Canterbury	21,551,000
Carlisle	14,866,000
Castle Point	12,965,000
Charnwood	17,950,000
Chelmsford	19,283,000
Cheltenham	15,100,000
Cherwell	16,221,000
Chesterfield	13,215,000
Chichester	12,630,000
Chiltern	10,991,000
Chorley	14,159,000
Christchurch	5,946,000
Colchester	21,606,000
Copeland	10,537,000
Corby	8,576,000
Cotswold	10,581,000
Craven	7,211,000
Crawley	15,683,000
Dacorum	17,799,000
Dartford	12,563,000
Daventry	9,837,000
Derbyshire Dales	9,891,000
Dover	15,842,000
East Cambridgeshire	10,449,000

East Devon	13,979,000
East Dorset	10,479,000
East Hampshire	11,248,000
East Hertfordshire	16,433,000
East Lindsey	21,498,000
East Northamptonshire	9,880,000
East Staffordshire	15,260,000
Eastbourne	16,834,000
Eastleigh	12,787,000
Eden	7,970,000
Elmbridge	18,726,000
Epping Forest	16,799,000
Epsom and Ewell	8,955,000
Erewash	14,344,000
Exeter	15,422,000
Fareham	11,417,000
Fenland	16,686,000
Forest Heath	7,619,000
Forest of Dean	11,659,000
Fylde	10,649,000
Gedling	13,570,000
Gloucester	15,706,000
Gosport	11,548,000
Gravesham	13,350,000
Great Yarmouth	14,568,000
Guildford	15,957,000
Hambleton	8,665,000
Harborough	10,474,000
Harlow	14,631,000
Harrogate	23,686,000
Hart	9,334,000
Hastings	16,006,000
Havant	16,972,000
Hertsmere	14,097,000
High Peak	11,755,000
Hinckley and Bosworth	11,093,000
Horsham	13,600,000
Huntingdonshire	19,362,000
Hyndburn	14,498,000
Ipswich	22,113,000
Kettering	12,767,000
Kings Lynn and West Norfolk	20,734,000
Lancaster	23,487,000
Lewes	12,510,000
Lichfield	10,904,000
Lincoln	15,713,000
Maidstone	21,034,000
Maldon	8,176,000
Malvern Hills	8,898,000
Mansfield	15,366,000
Melton	6,900,000
Mendip	13,339,000
Mid Devon	10,954,000
Mid Suffolk	11,242,000

Mid Sussex	14,243,000
Mole Valley	9,614,000
New Forest	22,006,000
Newark and Sherwood	16,344,000
Newcastle-under-Lyme	16,334,000
North Devon	13,299,000
North Dorset	7,067,000
North East Derbyshire	12,502,000
North Hertfordshire	16,881,000
North Kesteven	13,097,000
North Norfolk	13,974,000
North Warwickshire	9,598,000
North West Leicestershire	12,151,000
Northampton	30,405,000
Norwich	23,295,000
Nuneaton and Bedworth	16,945,000
Oadby and Wigston	7,922,000
Oxford	28,003,000
Pendle	16,605,000
Preston	23,995,000
Purbeck	6,066,000
Redditch	11,295,000
Reigate and Banstead	17,593,000
Ribble Valley	6,908,000
Richmondshire	7,634,000
Rochford	10,726,000
Rossendale	11,021,000
Rother	13,144,000
Rugby	12,225,000
Runnymede	9,800,000
Rushcliffe	11,932,000
Rushmoor	12,180,000
Ryedale	8,056,000
Scarborough	19,204,000
Sedgemoor	14,387,000
Selby	10,939,000
Sevenoaks	15,034,000
Shepway	18,391,000
South Bucks	7,535,000
South Cambridgeshire	13,944,000
South Derbyshire	11,702,000
South Hams	10,099,000
South Holland	13,143,000
South Kesteven	15,889,000
South Lakeland	14,220,000
South Norfolk	14,094,000
South Northamptonshire	11,187,000
South Oxfordshire	14,041,000
South Ribble	13,975,000
South Somerset	18,141,000
South Staffordshire	9,906,000
Spelthorne	11,828,000
St Albans	17,345,000
St Edmundsbury	12,796,000

Stafford	14,315,000
Staffordshire Moorlands	12,339,000
Stevenage	11,762,000
Stratford-on-Avon	13,036,000
Stroud	14,575,000
Suffolk Coastal	14,825,000
Surrey Heath	11,434,000
Swale	18,856,000
Tamworth	9,514,000
Tandridge	11,145,000
Taunton Deane	12,267,000
Teignbridge	16,048,000
Tendring	20,331,000
Test Valley	12,556,000
Tewkesbury	8,059,000
Thanet	22,041,000
Three Rivers	11,570,000
Tonbridge and Malling	14,308,000
Torridge	9,515,000
Tunbridge Wells	12,501,000
Uttlesford	8,684,000
Vale of White Horse	12,347,000
Warwick	16,861,000
Watford	15,336,000
Waveney	16,375,000
Waverley	14,235,000
Wealden	18,311,000
Wellingborough	9,625,000
Welwyn Hatfield	15,117,000
West Devon	8,022,000
West Dorset	13,133,000
West Lancashire	15,493,000
West Lindsey	13,328,000
West Oxfordshire	8,805,000
West Somerset	4,875,000
Weymouth and Portland	11,375,000
Winchester	12,456,000
Woking	14,269,000
Worcester	11,905,000
Worthing	15,219,000
Wychavon	12,393,000
Wycombe	18,239,000
Wyre	15,952,000
Wyre Forest	14,287,000
<u>Unitary Authorities</u>	
Bath & North East Somerset	127,973,000
Bedford	136,977,000
Blackburn with Darwen	142,483,000
Blackpool	153,824,000
Bournemouth	151,605,000
Bracknell Forest	78,362,000
Brighton & Hove	251,264,000
Bristol	386,010,000

Central Bedfordshire	185,336,000
Cheshire East	258,650,000
Cheshire West and Chester	262,229,000
Cornwall	483,638,000
Darlington	85,311,000
Derby	209,445,000
Durham	463,945,000
East Riding of Yorkshire	263,404,000
Halton	119,025,000
Hartlepool	98,694,000
Herefordshire	154,685,000
Isle of Wight Council	143,611,000
Isles of Scilly	3,972,000
Kingston upon Hull	249,947,000
Leicester	302,022,000
Luton	162,102,000
Medway	196,248,000
Middlesbrough	145,155,000
Milton Keynes	190,308,000
North East Lincolnshire	143,415,000
North Lincolnshire	137,652,000
North Somerset	156,117,000
Northumberland	292,244,000
Nottingham	306,941,000
Peterborough	149,148,000
Plymouth	219,616,000
Poole	106,043,000
Portsmouth	171,701,000
Reading	131,926,000
Redcar and Cleveland	132,984,000
Rutland	30,268,000
Shropshire	236,724,000
Slough	111,627,000
South Gloucestershire	185,168,000
Southampton	199,797,000
Southend-on-Sea	141,287,000
Stockton-on-Tees	160,312,000
Stoke-on-Trent	224,966,000
Swindon	141,716,000
Telford and the Wrekin	134,923,000
Thurrock	123,273,000
Torbay	131,880,000
Warrington	145,324,000
West Berkshire	115,981,000
Wiltshire	340,142,000
Windsor and Maidenhead	87,887,000
Wokingham	102,584,000
York	130,170,000

Metropolitan Police Authorities

Greater Manchester Police	609,582,000
Merseyside Police	346,945,000
Northumbria Police	300,849,000
South Yorkshire Police	267,419,000

West Midlands Police	604,324,000
West Yorkshire Police	450,228,000

Shire Police Authorities

Avon & Somerset Police	289,968,000
Bedfordshire Police	106,880,000
Cambridgeshire Police	134,459,000
Cheshire Police	183,342,000
Cleveland Police	134,980,000
Cumbria Police	107,141,000
Derbyshire Police	176,152,000
Devon & Cornwall Police	296,890,000
Dorset Police	123,875,000
Durham Police	126,414,000
Essex Police	278,076,000
Gloucestershire Police	109,319,000
Hampshire Police	324,494,000
Hertfordshire Police	196,668,000
Humberside Police	185,556,000
Kent Police	298,032,000
Lancashire Police	286,452,000
Leicestershire Police	180,670,000
Lincolnshire Police	113,129,000
Norfolk Police	152,627,000
North Yorkshire Police	144,367,000
Northamptonshire Police	126,273,000
Nottinghamshire Police	204,993,000
Staffordshire Police	193,298,000
Suffolk Police	117,947,000
Surrey Police	209,337,000
Sussex Police	270,998,000
Thames Valley Police	395,040,000
Warwickshire Police	93,091,000
West Mercia Police	211,812,000
Wiltshire Police	109,899,000

Annex B

Calculation of Alternative Notional Amounts

Background to the calculations

Budget requirement and council tax calculations

1. Under the 1992 Act, (or in the case of the Greater London Authority the Greater London Authority Act 1999 (“the 1999 Act”)), billing authorities and major precepting authorities are required to calculate their council tax each financial year.
2. In general terms, an authority first calculates its budget requirement for the financial year; that is, the difference between the authority’s expected income and its expected expenditure, but without having regard to sums it expects to receive from the Secretary of State by way of revenue support grant, redistributed non-domestic rates and where relevant police grant (“formula grant”).
3. Then, taking into account sums it expects to receive by way of formula grant and the council tax base for its area, the authority calculates its basic amount of council tax for the financial year; that is, the amount of council tax that will be payable for the financial year in respect of a Band D dwelling situated in the authority’s area as a result of that authority’s tax.

Comparisons between years

4. To ensure that the provisions concerning the limitation of council tax and precepts (“council tax capping”) operate fairly it is important that comparisons between financial years are made on a like-for-like basis.
5. For example, from one year to the next there may be changes in grants (a specific grant may be moved into revenue support grant or vice versa), or changes in the functions exercised by particular authorities (new functions may be given to a particular class of authority or functions previously exercised by one class may be transferred to another). For these reasons the Secretary of State is able to determine alternative notional amounts for the purposes of the comparison mentioned in section 52B(4) of the 1992 Act. These amounts ensure that the comparison mentioned in section 52B(4) of the 1992 Act operates fairly and on a like-for-like basis.

Changes for 2011/12

6. The Local Government Finance Report (England) 2011/2012 (“the LGFR”) includes a number of changes in respect of the financial year beginning on 1st April 2011 (“2011/12”) to reflect changes in the functions exercised by local authorities and changes in funding; in particular, changes in funding provided through specific grants in 2010/11 but which will be provided through formula grant from 2011/12 onwards.

7. These changes are specified in Annex R of the LGFR, which concerns the calculation of notionally adjusted formula grant for 2010/11. As explained in Annex R of the LGFR, notionally adjusted formula grant is calculated to enable like-for-like comparisons to be made between the amount of formula grant an authority would have received in 2010/11 had formula grant in that year covered the same functions for each authority as it does for 2011/12, and the amount of formula grant it is proposed to receive in 2012/13.
8. Similar changes are required to enable like-for-like comparisons for the purposes of council tax capping. The alternative notional amounts specified in Annex A of this Report have been calculated in accordance with the formula explained below.

Alternative notional amount calculations for 2011/12

Definitions

9. In this paragraph and paragraphs 10 to 13 of this Annex-

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

“the 1999 Act” means the Greater London Authority Act 1999;

“budget requirement”, in relation to financial year, means-

(a) in relation to a billing authority, the amount calculated (or as last calculated) by the authority under section 32(4) of the 1992 Act for the year less the aggregate amount for the year of any precepts which were taken into account by the authority in making the calculation under section 32(2) of the 1992 Act and which were—

- (i) issued to the authority by local precepting authorities, or
- (ii) anticipated by the authority in accordance with regulations under section 41 of the 1992 Act,

(b) in relation to a major precepting authority other than the Greater London Authority, the amount calculated (or as last calculated) by the authority under section 43(4) of the 1992 Act for the year, and

(c) in relation to the GLA, the amount calculated (or as last calculated) by the authority under section 85(8) of the 1999 Act; and

“the LGFR” means the Local Government Finance Report (England) 2011/2012.

The calculation of alternative notional amounts

10. The alternative notional amount for each authority mentioned in Annex A is calculated in accordance with the formula-

$BR - A + B$

where-

BR is the budget requirement calculated (or as last calculated) by the authority for the financial year beginning on 1st April 2010;

A is the aggregate of the matters mentioned in paragraph 11; and

B is the aggregate of the matters mentioned in paragraph 12.

11. The matters are the adjustments for the authority which are mentioned in paragraphs (b), (n), (o), (p) and (q) of Annex R to the LGFR.
12. The matters are the adjustments for the authority which are mentioned in paragraphs (c) to (m) and (r) to (y) of Annex R to the LGFR.
13. If an adjustment mentioned in paragraph 11 or 12 is not applicable to the authority the amount of that adjustment must be assumed to be nil.



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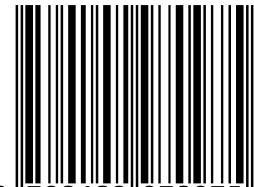
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ISBN 978-0-10-297097-5



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