

The Limitation of Council Tax and Precepts Principles 2011-12

The set of principles determined by the Secretary of State under section 52B of the Local Government Finance Act 1992(a) in respect of the financial year beginning on 1st April 2011 (“2011-12”) are as follows:

Interpretation

1.—(1) In this set of principles—

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

“the 1999 Act” means the Greater London Authority Act 1999(b);

“the 2008 Regulations” means the Local Government (Structural Changes) (Finance) Regulations 2008(c);

“alternative notional amount”, in relation to an authority, means the amount specified for the authority as regards 2010-11 in Annex A of the Limitation of Council Tax and Precepts (Alternative Notional Amounts) Report (England) 2011/12(d);

“billing authority” has the same meaning as in section 1(2) of the 1992 Act;

“budget requirement”, in relation to a financial year, means—

(a) in relation to a billing authority, the amount calculated 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 GLA, the amount calculated under section 43(4) of the 1992 Act for the year, and

(c) in relation to the GLA, the amount calculated under section 85(8) of the 1999 Act for the year;

“GLA” means the Greater London Authority;

“major precepting authority” has the same meaning as in section 39(1) of the 1992 Act;

“predecessor area” has the same meaning as in regulation 12(1) of the 2008 Regulations;

“principal area” has the same meaning as in regulation 12(1) of the 2008 Regulations; and

(a) 1992 c.14. Section 52B was inserted into the 1992 Act by was inserted by section 30(1) and Schedule 1 of the Local Government Act 1999 (c.27).

(b) 1999 c.29.

(c) S.I. 2008/3022.

(d) The Limitation of Council Tax and Precepts (Alternative Notional Amounts) Report (England) 2011/12 was made by the Secretary of State under section 52C of the 1992 Act.

“relevant area”, in relation to an authority, means the authority’s principal area or any predecessor area other than its principal area.

(2) In this set of principles—

- (a) a reference to an authority is a reference to a billing authority or a major precepting authority;
- (b) a reference to an authority which calculates (or calculated) its council tax under the 2008 Regulations is a reference to an authority which calculates (or calculated) basic amounts of council tax in accordance with regulations 16 to 22 of the 2008 Regulations for its relevant areas;
- (c) a reference to an authority which calculates its council tax under the 1992 Act is a reference to an authority which calculates its basic amounts of council tax in accordance with sections 33 and 34 of the 1992 Act;
- (d) any calculation of a council tax base for any part of an authority’s area must be made in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992(a) as modified by paragraphs 11 to 13 of Schedule 2 to the 2008 Regulations.

Categories of authority for 2011-12

2.— For 2011-12, the Secretary of State determines that the following are categories of authority for the purposes of section 52B of the 1992 Act—

- (a) any authority which calculated its council tax for 2010-11 under the 2008 Regulations,
- (b) the GLA, and
- (c) any other authority.

Principles for authorities belonging to the category mentioned in paragraph 2(a)

3.—(1) The budget requirement of an authority which belongs to the category mentioned in paragraph 2(a) is excessive if—

- (a) the amount calculated by the authority as its budget requirement for 2011-12 (rounded to the nearest pound) is more than 92.5% of the authority’s alternative notional amount; and
- (b) either of the following paragraphs apply—
 - (i) where the authority calculates its council tax for 2011-12 under the 2008 Regulations, the amount calculated as its band D council tax for any relevant area for 2011-12 is more than 3.5% greater than the band D council tax calculated for that area for 2010-11;
 - (ii) where the authority calculates its council tax for 2011-12 under the 1992 Act, the amount calculated by the authority as its band D council tax for 2011-12 is more than 3.5% greater than any of the band D amounts calculated for the authority’s relevant areas for 2010-11.

(2) In sub-paragraph (1)(b)(i), an authority’s band D council tax for a relevant area and a financial year is—

(a) S.I. 1992/612.

- (a) in relation to the principal area—
 - (i) if the basic amount of council tax for the principal area and that year is calculated under regulation 17(2) of the 2008 Regulations, the amount calculated under that regulation but ignoring any precept issued to the authority by a local precepting authority or anticipated by the authority in accordance with regulations under section 41 of the 1992 Act, or
 - (ii) if different basic amounts of council tax are calculated for different parts of the principal area and that year under regulation 18(2) of the 2008 Regulations, the amount calculated by applying the formula in sub-paragraph (4);
- (b) in relation to a predecessor area other than the principal area—
 - (i) if the basic amount of council tax for the predecessor area and that year is calculated under (as the case may be) regulation 20(2) or regulation 21(2) of the 2008 Regulations, the amount calculated under that regulation but ignoring any precept issued to the authority by a local precepting authority or anticipated by the authority in accordance with regulations under section 41 of the 1992 Act, or
 - (ii) if different basic amounts of council tax are calculated for different parts of the predecessor area and that year under regulation 22(2) of the 2008 Regulations, the amount calculated by applying the formula in sub-paragraph (4).
- (3) In sub-paragraph (1)(b)(ii)—
 - (a) an authority’s band D council tax for 2011-12 is the amount calculated for that year under section 33(1) of the 1992 Act but ignoring any precept issued to the authority by a local precepting authority or anticipated by the authority in accordance with regulations under section 41 of the 1992 Act, and
 - (b) an authority’s band D council tax for a relevant area for 2010-11 is—
 - (i) in relation to the principal area, the amount calculated in accordance with sub-paragraph (2)(a) for that area and that year, and
 - (ii) in relation to a predecessor area other than the principal area, the amount calculated in accordance with sub-paragraph (2)(b) for that area and that year.

(4) The formula is—

$$\frac{A}{B}$$

where—

A is the aggregate of the amounts calculated by applying the formula in sub-paragraph (5), and

B is the amount calculated by the authority as its council tax base for the relevant area.

(5) The formula is—

$$C \times D$$

where—

C is the basic amount of council tax calculated by the authority under (as the case may be) regulation 18(2) or regulation 22(2) of the 2008 Regulations for each part of the relevant area, but in each case ignoring any precept issued to the authority by a local precepting authority or anticipated by the authority in accordance with regulations under section 41 of the 1992 Act; and

D is the amount calculated by the authority as its council tax base for that part.

(6) Sub-paragraph (7) applies if an authority's principal area for 2011-12 ("area A") is comprised of—

- (a) its principal area for 2010-11, and
- (b) one or more other areas each of which were predecessor areas for 2010-11.

(7) For 2010-11 sub-paragraph (1)(b)(i) applies as if each of the areas mentioned in sub-paragraph (6)(a) and (b) were area A.

Principles for the Greater London Authority

4.—(1) The budget requirement of the GLA is excessive if—

- (a) the amount calculated by the GLA as its budget requirement for 2011-12 (rounded to the nearest pound) is more than 92.5% of its alternative notional amount; and
- (b) either or both of the following paragraphs apply—
 - (i) the amount calculated by the GLA as its band D council tax for 2011-12 is more than 3.5% greater than the same amount calculated for 2010-11,
 - (ii) the amount calculated by the GLA as its adjusted band D council tax for 2011-12 is more than 3.5% greater than the same amount calculated for 2010-11.

(2) In this paragraph—

- (a) the GLA's band D council tax for a financial year is the amount calculated for that year under section 88(2) of the 1999 Act, and
- (b) the GLA's adjusted band D council tax for a financial year is the amount calculated for that year under section 89(3) of that Act.

Principles for authorities belonging to the category mentioned in paragraph 2(c)

5.—(1) The budget requirement of an authority which belongs to the category mentioned in paragraph 2(c) is excessive if—

- (a) the amount calculated by the authority as its budget requirement for 2011-12 (rounded to the nearest pound) is more than 92.5% of—
 - (i) the authority's alternative notional amount; or
 - (ii) where no such amount has been specified for the authority, the authority's budget requirement for 2010-11; and
- (b) the amount calculated by the authority as its band D council tax for 2011-12 is more than 3.5% greater than the same amount calculated for 2010-11.

(2) In this paragraph, an authority's band D council tax for a financial year is—

- (a) if the authority is a billing authority, the amount calculated for that year under section 33(1) of the 1992 Act but ignoring any precept issued to the authority

by a local precepting authority or anticipated by the authority in accordance with regulations under section 41 of the 1992 Act;

- (b) if the authority is a major precepting authority, the amount calculated for that year under section 44(1) of the 1992 Act.