

COUNCIL TAX REQUIREMENT RETURN 2012-13
CTR3 GUIDANCE NOTES
For completion by the Greater London Authority

NOTES FOR COMPLETION

Sections 72 to 79 of the Localism Act 2011, which came into force on 3 December 2011, change some of the details of Part 1 of the Local Government Finance Act 1992 ("the 1992 Act") governing the calculation of council tax in England. In particular, for 2012-13 and subsequent financial years authorities will calculate council tax requirements rather than budget requirements.

Details of how to calculate a council tax requirement for 2011-12 are set out in regulation 3 of the Council Tax (Demand Notices) (England) Regulations 2011 (SI 2011/3038), which can be found at the following web address-

<http://www.legislation.gov.uk/ukxi/2011/3038/contents/made>

Section 12 of the Greater London Authority Act 2007 amended section 85 of the Greater London Authority Act 1999. This amendment along with the amendments made by the Localism Act 2011 requires separate council tax requirements to be calculated for the GLA and for the Mayor. These provisions were commenced in relation to financial years beginning on or after 30 October 2007.

For the purposes this form we do not require the council tax requirements of the GLA and the Mayor to be separated except for line 1b (see below).

Lines 1 to 8 should be completed for all columns 1 to 3 unless a column is blocked out.

Line 1: for column 1 this will equal $R - A$ in section 88(2) of the GLA Act 1999. For column 2 this will equal $S2$ in section 89(4) of the GLA Act 1999. For column 3 this will equal R where R , A and $S2$ have the same meanings as in sections 88(2) and 89(4) of the GLA Act 1999. The amounts should be shown to the nearest £. Sections 88 and 89 of the GLA Act 1999 have been amended by section 77 of the Localism Act 2011.

Line 2: The amount of any levies and special levies issued for the year, or anticipated in pursuance of regulations under section 74 or 75 of the 1988 Act. This is the amount that was anticipated in pursuance of regulations under section 74 or 75 of the 1988 Act in the calculation of a constituent body's council tax requirement in 2012-13. This figure is required to produce a Council Tax Requirement for the purpose of council tax referendums at line 3 and comparisons of the *relevant basic amount of council tax* for the purposes of council tax referendums at line 7.

Line 3: the Council Tax Requirement for the purpose of council tax referendums. This is the amount at line 1 less the amount at line 2. The amounts are automatically calculated and shown to the nearest £.

Line 4: For column 1 the council tax base figure is T, the amount calculated for the purposes of section 88(2) of the GLA Act 1999. For column 2 the council tax base figure is TP2, the amount calculated for the purposes of section 89(4) of the GLA Act 1999. Each amount should be shown to 1 decimal place.

Do not complete line 4, column 3.

Line 5: this should be the same as the basic amount of Council Tax calculated by the Greater London Authority. Line 5 column 1 should be calculated under section 88 of the GLA Act 1999 and is the basic amount of council tax for Band D taxpayers in the City of London. Line 5 column 2 should be the additional amount of council tax in respect of the Mayor's Office for Policing and Crime calculated under section 89 of the GLA Act 1999. The amount in both columns should be shown to the nearest penny.

Do not complete line 5, column 3.

Line 6: this is the amount of Band D Council Tax for 2012-13 notified to the councils of the London boroughs, but not the Common Council of the City of London by the Greater London Authority in accordance with section 40(2)(a) of the Local Government Finance Act 1992. The amount should be shown to the nearest penny.

Line 7: Authorities will be required to seek the approval of their local electorate in a referendum if they set council tax increases that exceed the principles set out in a report to the House of Commons and approved in parallel with the Local Government Finance Report. For the GLA the principles are set by reference to what are termed unadjusted and adjusted relevant basic amounts of council tax as defined by the new section 52ZX of the 1992 Act. These amounts are derived from the calculations of the GLA's basic amounts of council tax modified by leaving out of account (i) precepts issued to or anticipated by a billing authority by local precepting authorities; and (ii) the total amount of any levies or special levies issued to or anticipated by the authority.

Relevant basic amounts of council tax for the purposes of council tax referendums are automatically calculated for 2012-13 by dividing line 3 by line 4. The amounts must be shown to the nearest penny. The subsequent box is a check to ensure that this calculation is correct. If a figure is shown in the box it is the difference between the expected figure and the figure provided. An explanation must be provided in the validation form as the reason this difference exists. **The figures for 2012-13 should be checked by the authority to establish whether they have exceeded the principles applicable for the year.**

Line 8: the aggregate of the amounts notified to the Greater London Authority by billing authorities in its area, as its share of each billing authority's estimated Collection Fund deficit (+)/surplus (-) for 2011-12, which is to be paid to/by the billing authority concerned in 2012-13 in accordance with the Local Authorities (Funds) (England) Regulations 1992 (SI 1992/2428). The amounts should be shown to the nearest £.

Comment [gh1]: This isn't quite right. The GLA calculates two different basic amounts of council tax for a financial year-

- an amount which applies to the City of London and which does not include any amount in respect of the metropolitan police, and

- an amount which applies to all parts of Greater London other than the City of London and which includes an amount in respect of the metropolitan police.

The unadjusted and adjusted relevant basic amounts of council tax are derived from these amounts.

The unadjusted relevant basic amount of council tax is the amount in column 1 of line 7. However, the adjusted relevant basic amount of council tax is not the amount in column 2 of line 7. Instead it is the sum of the amounts in columns 1 and 2 of line 7.

I think the correct result could be achieved by relating the calculations to the amounts in column 3 rather than column 2.

Do not complete line 8, column 2.

RESERVES

Lines 9 to 14 should be completed for all columns (i) to (vi).

Column (i): should be completed for the core Greater London Authority including any council tax requirements for the Olympics and the Mayor.

Column (ii): should be completed for Transport for London.

Column (iii): should be left blank.

Column (iv): should be completed for the London Fire and Emergency Planning Authority.

Column (v): should be completed for the Mayor's Office for Policing and Crime.

Column (vi): the total of columns (i) to (v). This is completed automatically.

General note on Reserves: The amounts given in lines 9 and 10 should reflect the estimated position at 1 April 2012 **BEFORE** appropriations or transfers to/from other authorities. They should **INCLUDE** all the General Fund reserves of the Greater London Authority including former special and capital funds. They should **EXCLUDE** pension fund reserves, unused usable capital receipts, provisions, and trust fund balances. Amounts held in pensions reserves introduced in relation to FRS17 should also be **EXCLUDED**.

Line 9: this should **INCLUDE** General Fund balances and reserves which have **NOT** been earmarked, although reserves which have been earmarked for future Council Tax reduction or budget support should be **INCLUDED**. The amounts should be shown to the nearest £.

Line 10: this should **INCLUDE** only amounts, which have been contributed from the General Fund and have been earmarked for particular purposes eg. for insurance or capital purposes. It should **EXCLUDE** amounts earmarked for future Council Tax reduction or budget support held in these reserves and unapplied capital receipts held in these. The amounts should be shown to the nearest £.

Line 11: the aggregate of appropriations from/to unallocated financial reserves to/from Revenue Accounts of the General City Fund as taken into account in the calculation of the Council Tax Requirement for 2012-13. The amounts should be shown to the nearest £.

Line 12: the aggregate of appropriations from/to earmarked financial reserves to/from Revenue Accounts of the General City Fund as taken into account in the calculation of the Council Tax Requirement for 2012-13. The amounts should be shown to the nearest £.

Line 13: the estimated unallocated revenue reserves at 31 March 2013, calculated as lines 9 + 11. The amounts should be shown to the nearest £. This line is calculated automatically.

Line 14: the estimated earmarked revenue reserves at 31 March 2013, calculated as lines 10 + 12. The amounts should be shown to the nearest £. This line is calculated automatically.

Annex A: Enter in column 2 the council tax requirement from each billing authority, which is the amount stated in the precept in accordance with section 40(2)(b) of the Local Government Finance Act 1992 as the amounts payable for 2012-13. The amounts should be shown to the nearest £. The figures given in the total line should be the sum of these amounts.

Enter in column 3 the GLA's share of each billing authority's estimated Collection Fund deficit (+) or surplus (-) for 2011-12. The amounts should be shown to the nearest £. The figure given in the total line should equal the sum of these amounts.

Department for Communities and Local Government
February 2012