

Department for Communities and Local Government

**Local Government
Finance (England)**

**The Limitation of Council Tax
and Precepts (Alternative
Notional Amounts) Report
(England) 2007/08**

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Report by the Secretary of State for Communities and
Local Government under section 52C of the
Local Government Finance Act 1992

*Ordered by the House of Commons
to be printed on XX January 2007*

The Limitation of Council Tax and Precepts (Alternative Notional Amounts) Report (England) 2007/08

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 her 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 her, 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 her 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 Devon and Somerset Fire and Rescue Authority (“the combined authority”) and Somerset County Council only and is made to reflect the creation of the combined authority by the Devon and Somerset Fire and Rescue Authority (Combination Scheme) Order 2006³.

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

³ S.I. 2006/2790.

6. This report specifies alternative notional amounts for the combined authority and Somerset County Council as regards the financial year beginning on 1 April 2006. It also sets out such explanation as the Secretary of State considers desirable of the calculation by her of those amounts.
7. If this report is approved by resolution of the House of Commons, in relation to the financial year beginning on 1 April 2007 (the year under consideration) the alternative notional amounts specified will be used for the purposes of any comparison which may be carried out under section 52B(4) of the 1992 Act.

Alternative Notional Amounts

8. Annex A to this Report sets out amounts by reference to the combined authority and Somerset County Council.
9. As regards the financial year beginning on 1 April 2006, the Secretary of State specifies those amounts as alternative notional amounts for those authorities.

Calculation of Alternative Notional Amounts

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

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

Phil Woolas
Minister of State
Department for Communities and Local Government
January 2007

Annex A
Alternative Notional Amounts as regards the financial year beginning on
1 April 2006

Alternative Notional Amount

	£
Devon and Somerset Fire and Rescue Authority	63,986,400
Somerset County Council	254,493,600

Annex B

Calculation of Alternative Notional Amounts

Definitions

1. In this Annex "budget requirement" means the amount calculated by a major precepting authority under section 43(4) of the 1992 Act in relation to the financial year beginning on 1 April 2006.

The calculation of alternative notional amounts

2. The calculation reflects the Devon and Somerset Fire and Rescue Authority (Combination Scheme) Order 2006, which creates an authority that will exercise functions over the areas of Devon FRA and Somerset County Council. Somerset County Council will cease to exercise fire and rescue functions. The alternative notional amount for the Devon and Somerset Fire and Rescue Authority is therefore the sum of:

- the budget requirement calculated for the Devon Fire and Rescue Authority, being £45,473,000, as reported on the authority's BR2 return for that year; *plus*
- the amount of the budget requirement calculated for Somerset County Council that is attributable to its fire and rescue service, being £18,513,400, as reported to the Department of Communities and Local Government as being agreed by the authorities by local officials.

3. The alternative notional amount for Somerset County Council is:

- the budget requirement calculated for Somerset County Council, being £273,007,000, as reported on the authority's BR2 return for that year; *less*
- the amount of the budget requirement calculated for Somerset County Council that is attributable to its fire and rescue service, being £18,513,400, as reported to the Department of Communities and Local Government as being agreed by the authorities by local officials.



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