

Annex B: Summary of consultation questions

Component 1: Setting the baseline

Q1: What do you think that the Government should consider in setting the baseline?

Q2: Do you agree with the proposal to use 2012-13 formula grant as the basis for constructing the baseline? If so, which of the two options at paragraphs 3.13 and 3.14 do you prefer and why?

Component 2: Setting the tariffs and top ups

Q3: Do you agree with this proposed component of tariff and top up amounts as a way of re-balancing the system in year one?

Q4: Which option for setting the fixed tariff and top up amounts do you prefer and why?

Component 3: The incentive effect

Q5: Do you agree that the incentive effect would work as described?

Component 4: A levy recouping a share of disproportionate benefit

Q6: Do you agree with our proposal for a levy on disproportionate benefit, and why?

Q7: Which option for calculating the levy do you prefer and why?

Q8: What preference do you have for the size of the levy?

Q9: Do you agree with this approach to deliver the Renewable Energy commitment?

Q10: Do you agree that the levy pot should fund a safety net to protect local authorities:

i) whose funding falls by more than a fixed percentage compared with the previous year (protection from large year to year changes); or

ii) whose funding falls by more than a fixed percentage below their baseline position (the rates income floor)?

Q11: What should be the balance between offering strong protections and strongly incentivising growth?

Q12: Which of the options for using any additional levy proceeds, above those required to fund the safety net, are you attracted to and why?

Q13: Are there any other ways you think we should consider using the levy proceeds?

Component 5: Adjusting for revaluation

Q14: Do you agree with the proposal to readjust the tariff and top up of each authority at each revaluation to maintain the incentive to promote physical growth and manage volatility in budgets?

Q15: Do you agree with this overall approach to managing transitional relief?

Component 6: Resetting the system

Q16: Do you agree that the system should include the capacity to reset tariff and top up levels for changing levels of service need over time?

Q17: Should the timings of reset be fixed or subject to government decision?

Q18: If fixed, what timescale do you think is appropriate?

Q19: What are the advantages and disadvantages of both partial and full resets? Which do you prefer?

Q20: Do you agree that we should retain flexibility on whether a reset involves a new basis for assessing need?

Component 7: Pooling

Q21: Do you agree that pooling should be subject to the three criteria listed at paragraph 3.50 and why?

Q22: What assurances on workability and governance should be required?

Q23: How should pooling in two tier areas be managed? Should districts be permitted to form pools outside their county area subject to the consent of the county or should there be a fourth criterion stating that there should always be alignment?

Q24: Should there be further incentives for groups of authorities forming pools and if so, what would form the most effective incentive?

Impact on non-billing authorities

Q25: Do you agree with these approaches to non-billing authorities?

Chapter 4: Interactions with existing policies and commitments

New Homes Bonus

Q26: Do you agree this overall approach to funding the New Homes Bonus within the rates retention system?

Q27: What do you think the mechanism for refunding surplus funding to local government should be?

Business rates relief

Q28: Do you agree that the current system of business rates reliefs should be maintained?

Chapter 5: Supporting local economic growth through new instruments

Q29: Which approach to Tax Increment Financing do you prefer and why?

Q30: Which approach do you consider will enable local authorities and developers to take maximum advantage of Tax Increment Financing?

Q31: Would the risks to revenues from the levy and reset in option 1 limit the appetite for authorities to securitise growth revenues?

Q32: Do you agree that pooling could mitigate this risk?

Q33: Do you agree that central government would need to limit the numbers of projects in option 2? How best might this work in practice?