
EXPLANATORY NOTE

(This note is not part of the Order)

Section 74 of the Localism Act 2011 inserted a new section 31A into the Local Government Finance Act 1992 requiring a billing authority to calculate its council tax requirement each financial year. Sections 75 and 76 inserted similar new provisions for major precepting authorities in England and the Greater London Authority respectively. The Localism Act 2011 also inserted a new Chapter 4ZA into Part 1 of the Local Government Finance Act 1992, to provide that a referendum must be held where a local authority in England sets an excessive increase in its relevant basic amount of council tax for a financial year.

This Order makes a number of amendments to the Local Government Finance Act 1992 and the Greater London Authority Act 1999 concerning the calculation of council tax in consequence of the amendments by the Localism Act 2011 referred to above.

Article 2 of this Order makes an amendment to section 31A(5) of the Local Government Finance Act 1992 to ensure consistency between subsections (5) and (9) of section 31A of the Local Government Finance Act 1992, both inserted by section 74 of the Localism Act 2011. Section 31A(9)(b) excludes sums which have been or are to be transferred from one specific authority fund to another from the calculation of its income. This amendment ensures that subsection (5) excludes sums to be transferred in the other direction from one specific authority fund to another from the calculation of its expenditure.

Article 3 of this Order makes an amendment to section 42A of the Local Government Finance Act 1992 consequential on the insertion by section 76 of the Localism Act 2011 of section 86(2B) to ensure that major precepting authorities in England when calculating their council tax requirement take into account the expenditure they estimate will be incurred in accordance with regulations under section 99(3).

Article 5 of this Order makes an amendment consequential on the insertion of section 42A of the Local Government Finance Act 1992 by section 75 of the Localism Act 2011 to ensure that repayments of grants are taken into account as expenditure under section 85(4)(a) of the Greater London Authority Act 1999 rather than as income under section 85(5)(a) of that Act.

Article 6 of this Order makes an amendment to reflect the fact that the reference to “relevant special grant” in section 102(2)(c) of the Greater London Authority Act 1999 was repealed by paragraph 39(a) of Schedule 7 to the Localism Act 2011.

Article 7 of this Order makes an amendment to Schedule 6 to the Greater London Authority Act 1999 to provide for substitute calculations to be made after the deadlines in Schedule 6 if, having approved a budget or council tax requirement, the Greater London Authority’s relevant basic amount of council tax is found to be excessive, but it has not approved a substitute consolidated budget or council tax requirement.

An impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen and the impact on the public sector is minimal.