

## SCHEDULES

### SCHEDULE 7

#### REDUCTION OF COUNCIL TAX: SCOTLAND

##### *Parliamentary proceedings for reduction of council tax*

- 1 (1) If the Secretary of State is satisfied that the total estimated expenses mentioned in section 93(3) of this Act of a local authority in respect of any financial year are excessive or that there is an excessive increase in those expenses over the total estimated expenses there mentioned of the local authority in respect of the financial year preceding that year, he may make and cause to be laid before the House of Commons a report proposing a reduction in the council tax set by the authority in respect of that year and stating—
- (a) the amount of the reduction so proposed; and
  - (b) his reasons for proposing that reduction.
- (2) A report under sub-paragraph (1) above shall set out any representations made by the local authority to which it relates with respect to the matters referred to in the report or a summary of these representations.
- (3) In determining, for the purposes of sub-paragraph (1) above, whether, in relation to any financial year, the total estimated expenses of a local authority are excessive or that any increase in those expenses is excessive, the Secretary of State—
- (a) may leave out of account such categories of estimated expenses as he thinks fit; and
  - (b) shall have regard to such principles as he may determine in respect of that year.
- (4) Different principles may be determined under sub-paragraph (3) above for different classes of local authority and the Secretary of State may classify local authorities for the purposes of this sub-paragraph by reference to such factors as he thinks fit.
- (5) In determining what amount to state under sub-paragraph (1)(a) above, the Secretary of State may have regard to any balances in the general fund of the local authority.
- (6) In the financial year 1993-94, the Secretary of State may consider an increase in expenses excessive when comparing the total estimated expenses mentioned in section 93(3) of this Act with the total estimated expenses to be met by the local authority during the financial year 1992-93.