

## SCHEDULE 2

### CALCULATION OF COUNCIL TAX BENEFIT SUBSIDY IN RESPECT OF ADMINISTRATION COSTS

#### PART II

#### APPLICABLE AMOUNT

##### **Council tax benefit applicable amount**

2. Subject to paragraphs 3 to 6 and for the purposes of Part I, the council tax benefit applicable amount shall be calculated by applying the following formula—

$$A \times \frac{B}{C}$$

where—

A is, in the case of appropriate authorities—

- (a) in England, £51,535,949;
- (b) in Wales, £2,557,933;
- (c) in Scotland, £4,206,705;

B—

- (a) except where paragraph (b) below applies, in the case of an authority identified in column (1) of Schedule 10, is the aggregate of the amounts obtained by multiplying each figure prescribed in column (3)(a) to (c) of that Schedule for that authority by the figure appropriate to that category and authority prescribed in column (3)(a), (b) or (c), as the case may be, of Schedule 11;
- (b) in the case of an authority listed in column (1) of Schedule 12, is the aggregate amount determined in accordance with paragraph (a) above further multiplied by the figure specified for that authority in column (2) of that Schedule; and

C is, in the case of an appropriate authority—

- (a) in England, 656,453,308.40;
- (b) in Wales, 38,493,590.00;
- (c) in Scotland, 78,027,540.25.

##### **Calculation of applicable amount**

3.—(1) Subject to paragraphs 4 to 6, where in the case of an appropriate authority in England or in Wales—

- (a)  $\alpha$  (being the housing benefit amount and the applicable amount calculated under this Part in respect of that appropriate authority) exceeds  $\beta$  (being 120 per cent. of the relevant amount), the applicable amount for that appropriate authority for the relevant year shall be the sum calculated under paragraph 2 less the excess; or
- (b)  $\alpha$  (being the total of the housing benefit amount and the applicable amount calculated under this Part in respect of that appropriate authority) is less than Y (being 95 per cent. of the relevant amount) the applicable amount for that appropriate authority shall be the sum calculated under paragraph 2 plus an amount equal to the difference between  $\alpha$  and Y.

(2) The relevant amount for the purposes of this paragraph and paragraph 5 is—

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- (a) the aggregate of the housing benefit amount and council tax benefit amount payable to that appropriate authority for the financial year ending 31st March 1996 calculated in accordance with Schedules 1 and 2 to the 1996 Order (calculation of subsidy in respect of administration costs); except
- (b) in the case of a new authority listed in column (1) of Schedule 13, the figure specified for that authority in column (2) of that Schedule.

4. Where the total of the housing benefit amount and the additional sums calculated under Part I and paragraph 3, before any adjustment by reason of Part III or Part IV, is other than, for appropriate authorities—

- (a) in England, £130,145,116;
- (b) in Wales, £5,829,680,

the total of the applicable amount under this Part for an appropriate authority to which paragraph 3 does not apply shall be calculated, subject to paragraphs 5 and 6, by applying the following formula—

$$\left(D \times \frac{F}{E}\right) - G$$

where—

D is the total of the housing benefit amount and the applicable amount calculated under this Part in respect of that appropriate authority;

E is the total of the housing benefit amount and the applicable amount calculated under this Part in respect of all appropriate authorities to whom paragraph 3 does not apply;

F is the balance of the total of the housing benefit amount and the applicable amount calculated under this Part for appropriate authorities after deduction of the housing benefit amount and the applicable amount as calculated under this Part for such appropriate authorities to whom paragraph 3 applies; and

G is the housing benefit amount for that appropriate authority.

- 5. Where, in the case of an appropriate authority in England or in Wales, as the case may be—
  - (a)  $\Sigma$  (being the total of the housing benefit amount and the amount calculated under paragraph 4) exceeds  $\beta$  (being 120 per cent. of the relevant amount) the applicable amount calculated under this Part for that appropriate authority shall be the amount as calculated under paragraph 4 less the excess;
  - (b)  $\Sigma$  (being the total of the housing benefit amount and the amount calculated under paragraph 4) is less than Y (being 95 per cent. of the relevant amount) the applicable amount calculated under this Part for that appropriate authority shall be the amount as calculated under paragraph 4 plus an amount equal to the difference between  $\Sigma$  and Y.

6. Until the applicable amount under this Part as calculated under paragraphs 3, 4 and 5 equals the amount specified in paragraph 2 as subsidy in respect of the cost of administering council tax benefit for appropriate authorities in England or in Wales, as the case may be, the formula set out in paragraph 4 and paragraph 5 shall, subject to the modifications specified below, continue to apply to calculate the applicable amount under this Part for those appropriate authorities to whom neither paragraph 3 nor paragraph 5 has applied; and for that purpose—

- (a) D shall apply as if the total of the applicable amount under this Part were the amount calculated under paragraph 4, or, if by virtue of this paragraph there has been more than one calculation, the last amount calculated under that paragraph in respect of the appropriate authority;
- (b) E shall apply as if the total of the applicable amount under this Part were the total calculated under paragraph 4, or, if by virtue of this paragraph there has been more than one

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calculation, the last amount calculated under that paragraph in respect of all appropriate authorities to whom paragraph 5 did not apply in that calculation; and

- (c) F shall apply as if the amount to be deducted to determine the balance of the total amount available were the housing benefit amount and the applicable amount as calculated under this Part for appropriate authorities to whom, in the calculation under paragraphs 4 and 5, or, if there has been more than one calculation under those paragraphs, the last such calculation, paragraph 5 applied.