

---

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

Sections 32 and 43 of the Local Government Finance Act 1992 set out respectively how a billing authority and a major precepting authority are to calculate their budget requirements for a financial year, and sections 33 and 44 of that Act set out respectively how a billing authority and a major precepting authority are to calculate the basic amount of their council tax.

These Regulations, which apply for the financial year beginning on 1st April 1999, modify amendments to these calculations as they apply to authorities in England in order to provide for the limitation of council tax benefit subsidy. The amount required to be transferred by a billing authority from its general fund to its collection fund (in accordance with a direction made under section 98(5) of the Local Government Finance Act 1988)–

- (a) is deducted from expenditure in the calculation of the budget requirement under section 32 (regulation 2), but
- (b) increases the basic amount of council tax calculated under section 33 (regulation 3).

Similarly, an estimate of the payment that may be required from a precepting authority to a billing authority–

- (c) is excluded from the calculation of the budget requirement under section 43 (regulation 4), but
- (d) increases the basic amount of council tax under section 44 (regulation 5).

In addition, regulation 2(b) modifies for authorities in England the definitions in section 32 of the 1992 Act of “police grant” and “relevant special grant”. The amended definitions apply to that section, and also to sections 33, 43 and 44 of the 1992 Act.

Copies of the Reports referred to in regulation 2(2) and the Schedule may be obtained from the Stationery Office as follows:

Special Grant Report (No. 37) approved on 4th February 1999 ISBN 0–10–257199–6, price £4.70;

The Police Grant Report (England and Wales) 1998/99 approved on 4th February 1998 ISBN 0–10–285598–6, price £4.55;

The Police Grant Report (England and Wales) 1999/2000 approved on 4th February 1999 ISBN 0–10–256599–6, price £4.70.

The Collection Fund (Council Tax Benefit) (England) Direction 1999 which is referred to may be obtained from the Department of the Environment, Transport and the Regions, Eland House, Bressenden Place, London SW1A 2AY.