
EXPLANATORY NOTE

(This note is not part of the Regulations)

Part 1 of the Local Government and Public Involvement in Health Act 2007 (“the 2007 Act”) provides for the establishment of a single tier of local government for areas in England. There is a single tier of local government for an area if there is either a county council and no district councils for that area, or a district council and no county council for that area (section 1(2) of the 2007 Act). Where the Secretary of State has received a proposal or a recommendation that there should be a single tier of local government for an area, the Secretary of State may make an order to implement the proposal or recommendation with or without modification.

These Regulations make incidental, consequential, transitional and supplementary provision of general application in relation to the exercise of functions under the Local Government Finance Act 1988 (“the 1988 Act”) and the Local Government Finance Act 1992 (“the 1992 Act”) by authorities for the purposes of, and in consequence of, orders made by the Secretary of State under section 7 of the 2007 Act. Section 14(3) of the 2007 Act provides for these Regulations to have effect subject to any provision included in such an order.

Part 1 of these Regulations concerns general matters, including citation and commencement (regulation 1) and interpretation (regulation 2).

Part 2 of these Regulations concerns, in particular, responsibility for functions exercised under the 1988 Act and under Part 4 of these Regulations. Functions under the 1988 Act are the responsibility of the shadow executive or the relevant executive. Functions under Part 4 of these Regulations are the responsibility of the council, although certain actions related to those functions are the responsibility of the shadow executive or the relevant executive (see generally regulations 3 and 4).

Regulation 5 introduces Schedule 1, which specifies a procedure for the exercise by preparing councils of certain functions relating to council tax. The procedure applies where, by virtue of regulation 4(3), actions are the responsibility of an Implementation Executive.

Part 3 of these Regulations concerns the exercise of functions under the 1988 and 1992 Acts. Regulation 7 makes provision for certain county councils to be billing authorities for the purposes of Part 1 of the 1992 Act. Regulation 8 makes provision for the exercise of certain functions under the 1988 and 1992 Acts before and after the reorganisation date, whilst regulation 9 concerns the continuity of functions under those Acts. Regulations 10 and 11 make provision in relation to a single-tier council’s valuation and local rating lists. In particular, regulation 11 enables each of those lists to be amalgamated into a single document at any time after the reorganisation date.

Part 4 of these Regulations concerns the equalisation of council tax. In the absence of any alternative provision, the 1992 Act would require a billing authority to set a single basic amount of council tax under section 33(1) of the 1992 Act for a reorganised area, subject only to the calculations in section 34 of that Act where special items relate to a part only of that area. In order to enable a billing authority to equalise more equitably the amounts of council tax payable in respect of dwellings in the predecessor areas of a reorganised area, Part 4 enables such an authority to calculate different basic amounts of council tax for those predecessor areas. The term “predecessor area” is defined in regulation 12(1).

Regulation 15 enables a “relevant authority” (defined in regulation 2) in relation to the first year, and a single-tier council in relation to the second to the fifth years, to determine that different basic amounts of council tax will be calculated for “the principal area” (defined in regulation 12(1)) and for predecessor areas other than the principal area. A determination under regulation 15 must be made

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before 11th March in the financial year preceding the financial year for which the determination is made (regulation 15(3)). A determination under regulation 15 can also only be made for a financial year after the first year if a determination was made for the preceding financial year, and a determination cannot be made for a financial year if calculations have already been made for that year under sections 32 to 36 of the 1992 Act (regulation 15(2)). This is to ensure that, once the basic amounts of council tax in the predecessor areas have been equalised, the calculations in the 1992 Act apply thereafter in an unmodified form.

Regulation 15(5) and (6) introduces Schedule 2, which modifies certain provisions of the 1992 Act, the Local Authorities (Calculation of Council Tax Base) Regulations 1992 and the Local Authorities (Calculation of Council Tax Base) (Supply of Information) Regulations 1992. These modifications apply when regulations 16 to 22 come into play as mentioned in regulation 15(4). Where a determination has been made under regulation 15 in relation to a reorganised area and a financial year, these modifications ensure that the billing authority is required to calculate the “uniform amount of council tax” (defined in regulation 12(1)), that the basic amounts of council tax calculated under Part 4 of these Regulations are appropriately recognised under the 1992 Act, and that amounts of council tax base are appropriately calculated under Part 4 of these Regulations.

Where a determination under regulation 15 has been made for a financial year, the basic amount of council tax for the principal area must be calculated in accordance with regulation 17 or 18 and the basic amount of council tax for a predecessor area other than the principal area must be calculated in accordance with regulation 20, 21 or 22.

The rules governing the calculation of the basic amount of council tax for the principal area are expressed by reference to the uniform amount of council tax, whilst those governing the calculation of the basic amount of council for a predecessor area other than the principal area are expressed by reference to the higher and the lower amounts. The “higher amount” and “lower amount” are defined in regulations 13 and 14 respectively.

Regulation 16 places a limit on an authority’s council tax requirement as calculated under Part 4 of these Regulations and the 1992 Act as modified by Schedule 2 to these Regulations. The regulation ensures that this amount cannot be greater than the authority’s council tax requirement as calculated under the 1992 Act in an unmodified form.

Regulations 17 to 22 and Schedules 1 and 2 are discussed above.

A full impact assessment has not been produced for these Regulations as no impact on the private or voluntary sectors is foreseen.