

SCHEDULE 2

Regulation 11

“SCHEDULE 3

Regulation 15A

REFERENDUMS RELATING TO COUNCIL TAX: MODIFICATIONS TO CHAPTERS  
4ZA AND 6 OF PART 1 OF THE LOCAL GOVERNMENT FINANCE ACT 1992

PART 1

Modifications having effect in the circumstances mentioned in regulation 15A(1)

**Section 52ZC of the Local Government Finance Act 1992**

1. In section 52ZC (determination of whether increase is excessive)—

(a) after subsection (1) insert—

“(1A) For these purposes—

(a) the principles mentioned in subsection (2)(b)(i) apply if for the year under consideration the authority calculates its basic amount of council tax under section 31B(1) above; and

(b) the principles mentioned in subsection (2)(b)(ii) apply if for that year the authority calculates basic amounts of council tax for its predecessor areas under Part 4 of the 2008 Regulations.”;

(b) in subsection (2), for paragraph (b) substitute—

“(b) must constitute or include—

(i) a comparison falling within subsection (3A) below, and

(ii) a comparison falling within subsection (3C) below.”;

(c) omit subsection (3); and

(d) before subsection (4) insert—

“(3A) A comparison falls within this subsection if it is between—

(a) the amount that would be calculated by the authority for the year under consideration under section 31B(1) above if section 31A above did not require or permit it to take into account the amounts mentioned in section 52ZX(1)(a) and (b) below; and

(b) the amount found by applying the formula—

$$\frac{A}{B}$$

where—

A is the aggregate of the amounts calculated by applying the formula in subsection (3B) in relation to the financial year immediately preceding the year under consideration and in relation to—

(a) each district council that was a district council for a predecessor area of the authority, and

(b) each county council that was a county council for the whole or any part of the authority’s area; and

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B is the aggregate of the council tax bases calculated for the authority's predecessor areas for the financial year immediately preceding the year under consideration.

(3B) The formula is—

$$C \times D$$

where—

C is—

- (a) in relation to a district council for a predecessor area of the authority, the amount that would have been calculated by the council under section 31B(1) above if section 31A above had not required or permitted the amounts mentioned in section 52ZX(1)(a) and (b) below to be taken into account,
- (b) in relation to a county council for the whole or any part of the authority's area, the amount that would have been calculated by the council under section 42B(1) above if section 42A above had not required or permitted the amounts mentioned in section 52ZX(3)(a) and (b) below to be taken into account; and

D is—

- (a) in relation to a district council, the council tax base calculated for the area mentioned in paragraph (a) of the definition of item C above;
- (b) in relation to a county council, the council tax base calculated for the area or (as the case may be) the part of an area mentioned in paragraph (b) of that definition.

(3C) A comparison falls within this subsection if it is to be made for each predecessor area between—

- (a) the basic amount of council tax that would be calculated by the authority for the area for the year under consideration under Part 4 of the 2008 Regulations if section 31A above did not require or permit the authority to take into account the amounts mentioned in section 52ZX(1)(a) and (b) below; and
- (b) the aggregate of the amounts that would have been calculated for the area for the financial year immediately preceding the year under consideration—
  - (i) by any district council for the predecessor area, under section 31B(1) above if section 31A above had not required or permitted the amounts mentioned in section 52ZX(1)(a) and (b) below to be taken into account, and
  - (ii) by any county council that was a county council for the whole or any part of the predecessor area, under section 42B(1) above if section 42A above had not required or permitted the amounts mentioned in section 52ZX(3)(a) and (b) below to be taken into account.”.

### **Section 52ZE of the Local Government Finance Act 1992**

2. In section 52ZE (alternative notional amounts)—

(a) in subsection (2), for the words from “the authority's” to the end substitute—

“—

- (a) the amount mentioned in section 52ZC(3A)(b) above; or
- (b) the aggregate amount mentioned in section 52ZC(3C)(b) above.”; and

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- (b) in subsection (5), for the words from “the reference” to the end substitute “(as the case may be) the amount mentioned in section 52ZC(3A)(b) above, or the aggregate amount mentioned in section 52ZC(3C)(b) above, were replaced with alternative notional amount.”.

### **Section 52ZF of the Local Government Finance Act 1992**

- 3. In section 52ZF (billing authority’s duty to make substitute calculations)—
  - (a) for subsection (2)(a) substitute—
    - “(a) they are made in accordance with—
      - (i) if the authority calculates its basic amount of council tax under section 31B(1) above, sections 31A, 31B and 34 to 36 above, or
      - (ii) if the authority calculates basic amounts of council tax for its predecessor areas under Part 4 of the 2008 Regulations, sections 31A, 31B and 36 above and Part 4 of the 2008 Regulations,in each case ignoring section 31A(11) above for this purpose,”; and
  - (b) in subsection (3)—
    - (i) omit “and” at the end of paragraph (a), and
    - (ii) for paragraph (b) substitute—
      - “(b) use the amount determined in the previous calculation for the year for item T in section 31B(1) above,
      - (c) use each amount determined in the previous calculation for the year as the council tax base for a part of the authority’s area including (where applicable) item TP in section 34(3) above, and
      - (d) if it calculated basic amounts of council tax for its predecessor areas for the year under Part 4 of the 2008 Regulations, ensure that the basic amount of council tax calculated for each predecessor area is less than the amount so calculated under the previous calculation.”.

### **Section 52ZG of the Local Government Finance Act 1992**

- 4. In section 52ZG (arrangements for referendum), for subsection (1) substitute—
  - “(1) The billing authority must make arrangements to hold a referendum in accordance with this section in relation to—
    - (a) if the authority calculates its basic amount of council tax for the financial year under section 31B(1) above, the authority’s relevant basic amount of council tax for the year;
    - (b) if the authority calculates basic amounts of council tax for its predecessor areas for the financial year under Part 4 of the 2008 Regulations, the amount that would be the authority’s uniform amount of council tax for the year if section 31A above did not require or permit it to take into account the amounts mentioned in section 52ZX(1)(a) and (b) below.”.

### **Section 52ZH of the Local Government Finance Act 1992**

- 5. In section 52ZH (effect of referendum), in each of subsections (2) and (4), for the words from “billing” to “year” substitute “amount mentioned in section 52ZG(1)(a) above, or the amount mentioned in section 52ZG(1)(b) above (as the case may be),”.

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**Section 52ZR of the Local Government Finance Act 1992**

6. In section 52ZR (direction that referendum provisions are not to apply)—
- (a) in subsection (6)(a), for the words from “the authority’s” to “year” substitute “the amount mentioned in section 52ZG(1)(a) above, or the amount mentioned in section 52ZG(1)(b) above (as the case may be)”; and
  - (b) in subsection (8), in the definition of “council tax calculations” for paragraph (a) substitute—
    - “(a) in relation to a billing authority—
      - (i) if the authority calculates its basic amount of council tax under section 31B(1) above, sections 31A, 31B and 34 to 36 above, or
      - (ii) if the authority calculates basic amounts of council tax for its predecessor areas under Part 4 of the 2008 Regulations, sections 31A, 31B and 36 above and Part 4 of the 2008 Regulations.”.

**Section 52ZX of the Local Government Finance Act 1992**

7. In section 52ZX (meaning of relevant basic amount of council tax)
- (a) at the beginning of subsection (1) insert “Subject to subsection (1A),”; and
  - (b) after subsection (1) insert—
    - “(1A) In the case of an authority which has power in relation to a financial year to calculate basic amounts of council tax for its predecessor areas under Part 4 of the 2008 Regulations, any reference in this Chapter to the billing authority’s relevant basic amount of council tax for the financial year is a reference to—
      - (a) if the authority calculates its basic amount of council tax under section 31B(1) above, the amount that would be calculated by the authority under that section if section 31A above did not require or permit it to take into account the amounts mentioned in subsection (1)(a) and (b); or
      - (b) if the authority calculates basic amounts of council tax for its predecessor areas under Part 4 of the 2008 Regulations, each of the amounts that would be calculated by the authority under those Regulations if section 31A above did not require or permit it to take into account the amounts mentioned in subsection (1) (a) and (b).”.

**Section 69 of the Local Government Finance Act 1992**

8. In section 69 (interpretation), in subsection (1) insert each of the following definitions in the appropriate place—
- ““the 2008 Regulations” means the Local Government (Structural Changes) (Finance) Regulations 2008;”;
  - ““predecessor area” has the same meaning as in the 2008 Regulations;”;
  - ““uniform amount” has the same meaning as in the 2008 Regulations;”.

## PART 2

### Modifications having effect in the circumstances mentioned in regulation 15A(2)

#### **Section 52ZC of the Local Government Finance Act 1992**

**9.** In section 52ZC (determination of whether increase is excessive)—

(a) after subsection (1), insert—

“(1A) For these purposes—

- (a) the principles mentioned in subsection (2)(b)(i) apply if for the year under consideration the authority calculates its basic amount of council tax under section 31B(1) above; and
- (b) the principles mentioned in subsection (2)(b)(ii) apply if for that year the authority calculates basic amounts of council tax for its predecessor areas under Part 4 of the 2008 Regulations.”;

(b) in subsection (2), for paragraph (b) substitute—

“(b) must constitute or include—

- (i) a comparison falling within subsection (3A) below, and
- (ii) a comparison falling within subsection (3C) below.”;

(c) omit subsection (3); and

(d) before subsection (4) insert—

“(3A) A comparison falls within this subsection if it is between—

- (a) the amount that would be calculated by the authority for the year under consideration under section 31B(1) above if section 31A above did not require or permit it to take into account the amounts mentioned in section 52ZX(1)(a) and (b) below; and
- (b) the amount that would have been the authority’s uniform amount of council tax for the financial year immediately preceding that year if section 31A above had not required or permitted it to take into account the amounts mentioned in section 52ZX(1)(a) and (b) below.

(3B) For the financial year beginning on 1st April 2012, subsection (3A)(b) shall have effect as if the reference to “section 31A above” were a reference to “section 32”.

(3C) Subject to subsections (3D) and (3E) below, a comparison falls within this subsection if it is to be made for each predecessor area between —

- (a) the basic amount of council tax that would be calculated by the authority for the area for the year under consideration under Part 4 of the 2008 Regulations if section 31A above did not require or permit the authority to take into account the amounts mentioned in section 52ZX(1)(a) and (b) below; and
- (b) the basic amount of council tax that would have been calculated by the authority for the area for the financial year immediately preceding the year under consideration under Part 4 of the 2008 Regulations if section 31A above had not required or permitted the authority to take into account the amounts mentioned in section 52ZX(1)(a) and (b) below.

(3D) Subsection (3E) applies if an authority’s principal area for the year under consideration is comprised of—

- (a) its principal area for the financial year immediately preceding the year under consideration; and

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- (b) one or more other areas each of which were predecessor areas for the financial year preceding the year under consideration.
- (3E) In relation to the year under consideration, subsection (3C)(b) applies as if—
  - (a) the areas mentioned in subsection (3D)(a) and (b) were the authority’s principal area for the financial year immediately preceding the year under consideration; and
  - (b) the amount calculated for that area were the lowest amount that would be calculated under subsection (3C)(b) if separate calculations were made for each of the areas mentioned in paragraph (3D)(b).”.

**Section 52ZE of the Local Government Finance Act 1992**

**10.** In section 52ZE (alternative notional amounts)—

- (a) in subsection (2), for the words from “the authority’s” to the end substitute—
  - “—
  - (a) the amount mentioned in section 52ZC(3A)(b) above; or
  - (b) the amount mentioned in section 52ZC(3C)(b) above when that section is read with section 52ZC(3D) and (3E) above.”; and
- (b) in subsection (5), for the words from “the reference” to the end substitute “(as the case may be) the amount mentioned in section 52ZC(3A)(b) above, or the amount mentioned in section 52ZC(3C)(b) above when that section is read with section 52ZC(3D) and (3E) above, were replaced with the alternative notional amount.”.

**Section 52ZF of the Local Government Finance Act 1992**

**11.** In section 52ZF (billing authority’s duty to make substitute calculations)—

- (a) for subsection (2)(a) substitute—
  - “(a) they are made in accordance with—
    - (i) if the authority calculates its basic amount of council tax under section 31B(1) above, sections 31A, 31B and 34 to 36 above, or
    - (ii) if the authority calculates basic amounts of council tax for its predecessor areas under Part 4 of the 2008 Regulations, sections 31A, 31B and 36 above and Part 4 of the 2008 Regulations,
- in each case ignoring section 31A(11) above for this purpose,”; and
- (b) in subsection (3)—
  - (i) omit “and” at the end of paragraph (a), and
  - (ii) for paragraph (b) substitute—
    - “(b) use the amount determined in the previous calculation for the year for item T in section 31B(1) above,
    - (c) use each amount determined in the previous calculation for the year as the council tax base for a part of the authority’s area including (where applicable) item TP in section 34(3) above, and
    - (d) if it calculated basic amounts of council tax for its predecessor areas for the year under Part 4 of the 2008 Regulations, ensure that the basic amount of council tax calculated for each predecessor area is less than the amount so calculated under the previous calculation.”.

### **Section 52ZG of the Local Government Finance Act 1992**

**12.** In section 52ZG (arrangements for referendum), for subsection (1) substitute—

“(1) The billing authority must make arrangements to hold a referendum in accordance with this section in relation to—

- (a) if the authority calculates its basic amount of council tax for the financial year under section 31B(1) above, the authority’s relevant basic amount of council tax for the year;
- (b) if the authority calculates basic amounts of council tax for its predecessor areas for the financial year under Part 4 of the 2008 Regulations, the amount that would be the authority’s uniform amount of council tax for the year if section 31A above did not require or permit it to take into account the amounts mentioned in section 52ZX(1)(a) and (b) below.”.

### **Section 52ZH of the Local Government Finance Act 1992**

**13.** In section 52ZH (effect of referendum), in each of subsections (2) and (4), for the words from “billing” to “year” substitute “amount mentioned in section 52ZG(1)(a) above, or the amount mentioned in section 52ZG(1)(b) above (as the case may be),”.

### **Section 52ZR of the Local Government Finance Act 1992**

**14.** In section 52ZR (direction that referendum provisions are not to apply)—

- (a) in subsection (6)(a), for the words from “the authority’s” to “year” substitute “the amount mentioned in section 52ZG(1)(a) above, or the amount mentioned in section 52ZG(1)(b) above (as the case may be)”; and
- (b) in subsection (8), in the definition of “council tax calculations” for paragraph (a) substitute—
  - “(a) in relation to a billing authority—
    - (i) if the authority calculates its basic amount of council tax under section 31B(1) above, sections 31A, 31B and 34 to 36 above, or
    - (ii) if the authority calculates basic amounts of council tax for its predecessor areas under Part 4 of the 2008 Regulations, sections 31A, 31B and 36 above and Part 4 of the 2008 Regulations,”.

### **Section 52ZX of the Local Government Finance Act 1992**

**15.** In section 52ZX (meaning of relevant basic amount of council tax)

- (a) at the beginning of subsection (1) insert “Subject to subsection (1A),”; and
- (b) after subsection (1) insert—

“(1A) In the case of an authority which has power in relation to a financial year to calculate basic amounts of council tax for its predecessor areas under Part 4 of the 2008 Regulations, any reference in this Chapter to the billing authority’s relevant basic amount of council tax for the financial year is a reference to—

- (a) if the authority calculates its basic amount of council tax under section 31B(1) above, the amount that would be calculated by the authority under that section if section 31A above did not require or permit it to take into account the amounts mentioned in subsection (1)(a) and (b); or
- (b) if the authority calculates basic amounts of council tax for its predecessor areas under Part 4 of the 2008 Regulations, each of the amounts that would be

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calculated by the authority under those Regulations if section 31A above did not require or permit it to take into account the amounts mentioned in subsection (1) (a) and (b).”.

### **Section 69 of the Local Government Finance Act 1992**

**16.** In section 69 (interpretation), in subsection (1) insert each of the following definitions in the appropriate place—

- ““the 2008 Regulations” means the Local Government (Structural Changes) (Finance) Regulations 2008;”;
- ““predecessor area” has the same meaning as in the 2008 Regulations;”;
- ““principal area” has the same meaning as in the 2008 Regulations;”;
- ““uniform amount” has the same meaning as in the 2008 Regulations;”.

## **PART 3**

Modifications having effect in the circumstances mentioned in regulation 15A(3)

### **Section 52ZC of the Local Government Finance Act 1992**

**17.** In section 52ZC (determination of whether increase is excessive)—

- (a) for subsection (3)(b) substitute—
  - “(b) the amount that would have been the authority’s uniform amount of council tax for the financial year immediately preceding the year under consideration if section 31A above had not required or permitted it to take into account the amounts mentioned in section 52ZX(1)(a) and (b) below.”, and
- (b) after paragraph (7) insert—
  - “(8) In this section, “uniform amount of council tax” has the same meaning as in the Local Government (Structural Changes) (Finance) Regulations 2008.”.”