## **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 structural and boundary changes in relation to local government areas in England. These Regulations made under section 14 of the 2007 Act make incidental, consequential, transitional and supplementary provision of general application in relation to the exercise of certain functions for the purposes of, and in consequence of, orders made by the Secretary of State under section 7 and section 10 of the 2007 Act ("section 7 orders" or "section 10 orders").

Part 1 of these Regulations amends regulations previously made under section 14 of the 2007 Act.

Regulations 2 to 13 amend the Local Government (Structural Changes) (Finance) Regulations 2008 ("the 2008 Finance Regulations"). Regulations 3 to 8 make amendments which extend the application of the 2008 Finance Regulations to areas which have been subject to boundary change under a section 10 order where a council has been abolished under that order. The amendments made by regulations 9 and 10 provide that the local authority for an area which has been reorganised under a section 7 or a section 10 order may continue to set council tax for its predecessor areas under Part 4 of the 2008 Finance Regulations for a further two years (the sixth and seventh years) following reorganisation. The amendments provide that the council tax for a reorganised area must be equalised by the eighth year after reorganisation, in place of the sixth year, as originally provided in the 2008 Finance Regulations.

Regulation 11 inserts a new Schedule 4 into the 2008 Finance Regulations. The new schedule contains modifications to the Council Tax (Demand Notices) Regulations 2011. These modifications ensure that the amount of the adult social care precept ("the precept") and that cash and percentage changes in the level of that precept charged from year to year are accurately presented on council tax bills. The modifications provide that, for each year in which it calculates its council tax under Part 4 of the 2008 Finance Regulations, council tax bills must show the amount of the precept and the cash and percentage changes for each predecessor area.

Regulation 13 amends Schedule 3 to the 2008 Finance Regulations (which contains modifications to Chapters 4ZA and 6 of the Local Government Finance Act 1992 in respect of referendums on increases in council tax). The amendments provide that the modifications apply to areas which have been subject to section 10 orders and that, for authorities which set their council tax under Part 4 of the 2008 Finance Regulations, the Secretary of State may set council tax referendum principles which apply for each of their predecessor areas and across the whole reorganised area.

Regulation 14 amends the Local Government (Structural Changes) (Transitional Arrangements) Regulations 2008 to take account of amendments to Part 5 of the 2007 Act in relation to health and community assessments and strategies and to clarify that certain modifications to the Localism Act 2011 relate to the predecessor council as relevant authority in relation to the community right to challenge under Part 5 of that Act.

Regulation 15 amends the Local Government (Structural Changes) (Transitional Arrangements) (No. 2) Regulations 2008 to take account of new provisions in primary legislation relating to housing finance.

Regulation 16 amends the Charter Trustees Regulations 2009 to update a reference to primary legislation.

Part 2 of the Regulations makes provision to specify the dates on which the collection funds and general funds of councils established under a section 10 order must be established in accordance

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with the provisions of the Local Government Finance Act 1988 and modifies relevant provisions of the Local Government Finance Act 1992 to allow those councils, in setting their council tax, to take account of precepts which may be issued by charter trustees which may be established under a section 10 order.

A full regulatory impact assessment has not been prepared as this instrument will have no impact on the costs of business and the voluntary sector.