STATUTORY INSTRUMENTS

1999 No. 228

LOCAL GOVERNMENT, ENGLAND AND WALES

FINANCE

The Local Authorities (Alteration of Requisite Calculations) (England) Regulations 1999

Made - - - -	*4th February 1999*
Laid before Parliament	*5th February 1999*
Coming into force	*6th February 1999*

The Secretary of State for the Environment, Transport and the Regions, in exercise of the powers conferred on him by sections 32(9), 33(4), 43(7), 44(4) and 113 of the Local Government Finance Act 1992**(a)**, and of all other powers enabling him in that behalf, hereby makes the following Regulations–

Citation, commencement, interpretation and application

1.—(1) These Regulations may be cited as the Local Authorities (Alteration of Requisite Calculations) (England) Regulations 1999 and shall come into force on 6th February 1999.

(2) In these Regulations, "the 1992 Act" means the Local Government Finance Act 1992.

(3) These Regulations have effect in relation to the financial year beginning on 1st April 1999 and in relation to authorities in England only.

Budget requirement (billing authorities)—calculation

2. Section 32 of the 1992 Act shall be read as if–

(a) in paragraph (e) of subsection (2)**(b)**, for the words from "pursuant to a direction under that subsection" to the end of that paragraph there were substituted the following–

"either–

(i) pursuant to a direction under that subsection relating to the difference between amounts in respect of community charges credited and charged to a revenue account for any earlier financial year, or

(ii) pursuant to the direction under that subsection which is contained in the Collection Fund (Council Tax Benefit) (England) Direction 1999 made by the Secretary of State on 3rd February 1999**(c)**.";

(a) 1992 c. 14; section 32(9) was amended by paragraph 4 of Schedule 12 to the Local Government (Wales) Act 1994 (c. 19).
(b) Paragraph (e) of section 32(2) was substituted by regulation 3 of the Local Authorities (Alteration of Requisite Calculations and Funds) Regulations 1994, S.I. 1994/246.
(c) Direction CT98(5)/19.

(b) for subsection (12)**(a)** there were substituted the following subsection–

"(12) In this section and section 33 below–

"police grant" means so much of the grant payable in accordance with paragraph 3.1 of the relevant police grant report as excludes the amounts shown in column (b) of the Table set out below that paragraph;

"relevant special grant" means any of the following grants, that is to say–

(i) the special grant payable in accordance with paragraphs 4 and 7 of the special grant report for England (Special Grant Report (No. 37)) approved by a resolution of the House of Commons pursuant to section 88B of the 1988 Act**(b)** on 4th February 1999; and

(ii) the special grant payable in accordance with paragraphs 5 and 8 of that special grant report; and

(iii) the special grant payable in accordance with paragraphs 6 and 9 of that special grant report;

and in this subsection "the relevant police grant report" means the police grant report (The Police Grant Report (England and Wales) 1999/2000) approved by a resolution of the House of Commons pursuant to section 46 of the Police Act 1996**(c)** on 4th February 1999.".

Basic amount of council tax (billing authority)—calculation

3. Section 33(3)**(d)** of the 1992 Act shall be read as if–

(a) there were substituted for the formula the following–

"W + X − (Y + Z + E)";

(b) there were added after the definition of the figure Z the following–

"E is the same amount as it is in the direction mentioned in section 32(2)(e)(ii) above (being an amount representing the authority's contribution to council tax benefit resulting from the increase in its council tax)".

Budget requirement (major precepting authorities)—calculation

4. Paragraph (a) of section 43(2) of the 1992 Act shall be read as if for the words from "other than expenditure which it estimates" to the end of that paragraph, there were substituted the following–

"other than–

(i) expenditure which it estimates will be so incurred in pursuance of regulations under section 99(3) of the 1988 Act, and

(ii) expenditure which it estimates, in accordance with the Schedule to the Local Authorities (Alteration of Requisite Calculations) (England) Regulations 1999 (estimated contribution to council tax benefit), might be so incurred in making payments to billing authorities;".

Basic amount of council tax (major precepting authorities)—calculation

5. Section 44(3) of the 1992 Act shall be read as if–

(a) the word "and" at the end of paragraph (a) were omitted;

(b) there were added after paragraph (b) the following–

"and

(a) Subsection (12) was substituted by the Local Authorities (Alteration of Requisite Calculations and Funds) Regulations 1995 (S.I. 1995/234), which also made relevant amendments to sections 32(3) and 33(1) (references to "police grant" and "relevant special grant"). Section 32(12) is substituted in relation to the financial year 1998/99 by the Local Authorities (Alteration of Requisite Calculations) Regulations 1998 (S.I. 1998/213). See also section 43(6A), substituted by S.I. 1995/234.

(b) 1988 c. 41; section 88B was substituted by paragraph 18 of Schedule 10 to the 1992 Act.

(c) 1996 c. 16.

(d) Subsection (3) of section 33 was substituted by regulation 4 of the Local Authorities (Alteration of Requisite Calculations and Funds) Regulations 1994 (S.I. 1994/246).

(c) reduced by the aggregate amount of any sums which the authority estimates, in accordance with the Schedule to the Local Authorities (Alteration of Requisite Calculations) (England) Regulations 1999 (estimated contribution to council tax benefit), might be paid by it in the year to billing authorities.".

Calculation of expenditure etc.

6. The Schedule to these Regulations has effect for the purpose of the alterations made by regulations 4 and 5 above.

Signed by authority of the Secretary of State for
the Environment, Transport and the Regions

Hilary Armstrong
Minister of State,
Department of the Environment,
Transport and the Regions

4th February 1999

SCHEDULE

Regulation 6

ESTIMATED CONTRIBUTION TO COUNCIL TAX BENEFIT

Basic calculation

1.—(1) There is no expenditure for the purpose of section 43(2)(a)(ii) of the 1992 Act and there is no aggregate of any sums for the purposes of section 44(3)(c) of that Act when either A is less than or equal to 1.045 or F is less than or equal to J. (For A, F and J see paragraphs 2, 3 and 4 respectively.)

(2) Otherwise, the amount of that expenditure and of the aggregate of those sums is–

$$\frac{(C - M) \times T \times B \times Z}{1 - (B \times Z)}$$

(3) For C, M and T see paragraphs 2(2), 5 and 5(4) respectively.

(4) B is the amount shown in relation to the authority in column 2 of Table A in this Schedule, being the lower of–

(a) the proportion (estimated by the Secretary of State) of council tax yield for the authority in the financial year beginning in 1998 accounted for by council tax benefit;

(b) the national average proportion (as so estimated) of council tax yield for authorities in that financial year accounted for by council tax benefit.

(5) Z (proportion of council tax benefit subsidy to be borne by the authority) is the amount shown in column 2 of Table B in this Schedule which corresponds with the amount N for the authority. (For N see paragraph 6.)

A

2.—(1) A (proportionate increase in council tax) equals $\frac{C}{D}$

(2) C is the basic amount of council tax for the financial year beginning in 1999 calculated by the authority under section 44 of the 1992 Act but omitting, for the purposes of this calculation, the amount referred to in subsection (3)(c).

(3) D is the basic amount of council tax for the financial year beginning in 1998, calculated by the authority under section 44 of the 1992 Act.

F

3.—(1) F (increase in budget requirement) equals G − H.

(2) G is the amount of the authority's budget requirement for the financial year beginning in 1999, calculated by it under section 43 of the 1992 Act.

(3) H is, subject to paragraph 7, the amount of the authority's budget requirement for the financial year beginning in 1998, calculated by it under that section.

J

4.—(1) J (cash Standard Spending Assessment increase) equals K − L.

(2) K is, subject to paragraph 7, the Standard Spending Assessment for the authority for the financial year beginning in 1999, calculated in accordance with the Local Government Finance Report for that year made under section 78A of the Local Government Finance Act 1988**(a)**.

(3) L is, subject to paragraph 7, the Standard Spending Assessment for the authority for the financial year beginning in 1998, calculated in accordance with the Local Government Finance Report for that year made under that section.

M

5.—(1) M (council tax at guideline) is the higher of

(a) D × 1.045; or

(b) $\frac{H + J - P}{T}$

(2) For D, H and J, see paragraphs 2(3), 3(3) and 4 respectively.

(3) P is the same as in section 44 of the 1992 Act for the financial year beginning in 1999, increased or reduced in accordance with that section but omitting, for the purpose of this calculation, the amount referred to in subsection (3)(c).

(4) T is the same as in section 44 of the 1992 Act for the financial year beginning in 1999.

N

6.—(1) N (percentage increase above guideline) equals

$$\frac{(C - M) \times 100}{D}$$

(2) for C, M and D, see paragraphs 2(2), 5 and 2(3) respectively.

Police authorities

7. In relation to any police authority including the Receiver for the Metropolitan Police District the amounts referred to as H, K and L in paragraphs 3(3), 4(2) and 4(3) respectively shall be increased as follows:

H shall be increased by the aggregate of the grants to the authority under Additional Rules 2 and 2A as set out in the Table in paragraph 3 of the police grant report (The Police Grant Report (England and Wales) 1998/99) approved by a resolution of the House of Commons pursuant to section 46 of the Police Act 1996 on 4th February 1998 ("the 1998 Police Grant Report");

K shall be increased by the grant allocated to the authority under the Principal Formula as set out in the Table in paragraph 3 of the police grant report (The Police Grant Report (England and Wales) 1999/2000) approved by a resolution of the House of Commons pursuant to section 46 of the Police Act 1996 on 4th February 1999; and

L shall be increased by the aggregate of–

(i) the grants to the authority under Additional Rules 2 and 2A as set out in the Table in paragraph 3 of the 1998 Police Grant Report, and

(ii) the grant allocated to the authority under the Principal Formula as set out in that Table.

(a) Section 78A was inserted by paragraph 10 of Schedule 10 to the Local Government Finance Act 1992.

TABLE A

Prescribed proportion of council tax yield.

Column 1	*Column 2*
Shire Counties	
Bedfordshire	0.111
Buckinghamshire	0.069
Cambridgeshire	0.095
Cheshire	0.099
Cornwall	0.160
Cumbria	0.139
Derbyshire	0.135
Devon	0.107
Dorset	0.098
Durham	0.160
East Sussex	0.130
Essex	0.118
Gloucestershire	0.105
Hampshire	0.088
Hertfordshire	0.101
Kent	0.127
Lancashire	0.145
Leicestershire	0.096
Lincolnshire	0.131
Norfolk	0.140
North Yorkshire	0.098
Northamptonshire	0.124
Northumberland	0.142
Nottinghamshire	0.136
Oxfordshire	0.090
Shropshire	0.114
Somerset	0.124
Staffordshire	0.111
Suffolk	0.130
Surrey	0.066
Warwickshire	0.115
West Sussex	0.098
Wiltshire	0.088
Worcestershire	0.105
Shire Police Authorities	
Avon & Somerset	0.137
Bedfordshire	0.134
Cambridgeshire	0.107
Cheshire	0.124
Cleveland	0.160
Cumbria	0.139
Derbyshire	0.148
Devon & Cornwall	0.144
Dorset	0.112
Durham	0.160
Essex	0.126
Gloucestershire	0.105
Hampshire	0.111
Hertfordshire	0.083
Humberside	0.160

Column 1	*Column 2*
Kent	0.130
Lancashire	0.160
Leicestershire	0.133
Lincolnshire	0.131
Norfolk	0.140
North Yorkshire	0.103
Northamptonshire	0.124
Nottinghamshire	0.160
Staffordshire	0.131
Suffolk	0.130
Surrey	0.052
Sussex	0.126
Thames Valley	0.088
Warwickshire	0.115
West Mercia	0.120
Wiltshire	0.094
Other Police Authorities	
The Receiver for the Metropolitan Police District	0.160
Greater Manchester Police	0.160
Merseyside Police	0.160
Northumbria Police	0.160
South Yorkshire	0.160
West Midlands Police	0.160
West Yorkshire Police	0.160
Fire and Civil Defence Authorities	
London	0.160
Greater Manchester	0.160
Merseyside	0.160
South Yorkshire	0.160
Tyne & Wear	0.160
West Midlands	0.160
West Yorkshire	0.160

TABLE B

Local authority contribution factor to council tax benefit costs.

Column 1	*Column 2*
Amount of N	Z
Not exceeding 0.5	0.125
Exceeding 0.5 and not exceeding 1	0.25
Exceeding 1 and not exceeding 1.5	0.375
Exceeding 1.5 and not exceeding 2	0.5
Exceeding 2 and not exceeding 2.5	0.625
Exceeding 2.5 and not exceeding 3	0.75
Exceeding 3 and not exceeding 3.5	0.875
Exceeding 3.5	1

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.

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