EXPLANATORY MEMORANDUM TO

THE LOCAL AUTHORITIES (CONDUCT OF REFERENDUMS) (COUNCIL TAX INCREASES) (ENGLAND) (AMENDMENT) REGULATIONS 2014

2014 No. 231

1. This explanatory memorandum has been prepared by the Department for Communities and Local Government and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

To update the Local Authorities (Conduct of Referendums) (Council Tax Increases) (England) Regulations 2012 ('the 2012 Regulations') in line with changes made by the Local Audit and Accountability Act 2014 to the legislation on council tax referendums so that the information published by local authorities who are required to hold such referendums is based on an updated definition of the 'relevant basic amount' of council tax (an average amount of council tax which is used as a basis of measurement for council tax calculations) which now includes levies.

3. Matters of special interest to the Joint Committee on Statutory Instruments

None

4. Legislative Context

The Localism Act 2011 inserted a new chapter (chapter 4ZA) into the Local Government Finance Act 1992 ('the 1992 Act') to provide for council tax referendums to be held if an authority increases its relevant basic amount of council tax in excess of the principles (for example, a certain percentage) determined by the Secretary of State and approved by the House of Commons. The relevant basic amount used to measure council tax increases for the purposes of whether or not a council tax referendum should be triggered is defined in section 52ZX of the 1992 Act. The original definition excluded levies (demands for payment from levying bodies such as Integrated Transport Authorities and Internal Drainage Boards). Section 52ZX was amended by section 41 of the Local Audit and Accountability Act 2014 so that the definition of relevant basic amount no longer excludes levies. These Regulations make a consequential amendment to the subordinate legislation:– the 2012 Regulations.

5. Territorial Extent and Application

This instrument applies to England only.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 The 2012 Regulations provide the rules about how council tax referendums should be conducted. In particular, regulations 4 to 6 provide for publicity and other information to be provided in connection with such referendums to explain that levies are excluded from the calculation of an excessive increase triggering a referendum.

7.2 The Local Audit and Accountability Act 2014 changed how an excessive council tax increase is calculated by including the impact of changes due to levy increases or decreases in the calculation of any overall increase in council tax.

7.3 Given this change the 2012 Regulations are being amended (using the power to make consequential amendments in the Local Audit and Accountability Act 2014) to remove references to levies being excluded from the excessiveness calculation.

7.4 As these are minor amendments it is not considered necessary to make a consolidated set of regulations.

8. Consultation outcome

The Electoral Commission were invited to offer a view on the Regulations and and no comments were received.

9. Guidance

As these are minor consequential amendments guidance is not necessary.

10. Impact

The Regulations do not have an impact on the public sector, business, charities or voluntary bodies. As such an Impact Assessment is not required.

11. Regulating small business

The Regulations do not apply to small business.

12. Monitoring & review

The Department does not intend to put in place any formal mechanism for monitoring and reviewing these Regulations. The Department maintains dialogue and liaison with the Electoral Commission. Any issues relating to the Regulations will be identified through these channels.

13. Contact

Jasna Begum at the Department for Communities and Local Government Tel: 030344 41304 or email: jasna.begum@communities.gsi.gov.uk can answer any queries regarding the instrument.