STATUTORY INSTRUMENTS

2013 No. 2974

COUNCIL TAX, ENGLAND

The Local Authorities (Funds) (England) (Amendment) Regulations 2013

Made - - - -	*25th November 2013*
Laid before Parliament	*29th November 2013*
Coming into force - -	*20th December 2013*

The Secretary of State, in exercise of the powers conferred by sections 99(1) and (3), 140(4) and 143(1) of the Local Government Finance Act 1988(**a**), makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Local Authorities (Funds) (England) (Amendment) Regulations 2013 and come into force on 20th December 2013.

Amendment of Regulations

2.—(1) The Local Authorities (Funds) (England) Regulations 1992(**b**) are amended in accordance with paragraphs (2) to (4) below.

(2) In regulation 2(2) (interpretation)—

(a) at the end of sub-paragraph (d) omit "and", and

(b) at the end of sub-paragraph (e) insert ", and" followed by—

"(f) pay anything from its collection fund in respect of a variation to any payment or instalment of a payment relating to a precept agreed between that billing authority and a major precepting authority under paragraph 6(3)(b) of Schedule 1A to the 1992 Act(**c**) in the circumstances described in regulation 10A or paragraph 6(4A) of Schedule 2.".

(3) After regulation 10 insert—

"Liability for variation in precept payment where no surplus or deficit

10A. Where, as regards a financial year beginning in or after 2014—

(a) a billing authority has made the estimate required by regulation 10,

(**a**) 1988 c.41. Section 99 was substituted by the Local Government Finance Act 1992 (section 104 and paragraph 24 of Schedule 10) with effect in relation to financial years beginning on or after 1st April 1993. See section 146(6) for the meaning of "prescribed".

(**b**) S.I. 1992/2428. Relevant amendments were made by S.I. 2009/2543.

(**c**) 1992 c.14. Schedule 1A was inserted by the Local Government Finance Act 2012 (section 10 and paragraph 1 of Schedule 4).

(b) there is no surplus or deficit in its collection fund for the preceding financial year, and

(c) a variation to any payment or instalment of a payment relating to a precept issued (or last issued) to a billing authority by a major precepting authority for the preceding financial year under section 40(2)(b) of the 1992 Act was agreed between the billing authority and that major precepting authority under paragraph 6(3)(b) of Schedule 1A to the 1992 Act,

the billing authority shall, in discharging its liability to pay the amount of the variation to that major precepting authority, treat that amount for the purposes of regulation 3(6) as if it were that major precepting authority's share of a surplus in the collection fund for that year, calculated in accordance with regulation 11.".

(4) In Schedule 2—

(a) in paragraph 2(4)(b)(i) after "regulation 3" insert—

"disregarding any variation to any payment or instalment of a payment relating to a precept as agreed between the billing authority and the major precepting authority under paragraph 6(3)(b) of Schedule 1A to the 1992 Act";

(b) for paragraph 6(4) substitute—

"(4) Subject, in the financial year beginning on 1st April 2000, to sub-paragraphs (5) to (13) below, the amount of any surplus which is to be a relevant major precepting authority's share or of any deficit which is to be borne by that authority for the year shall be calculated by applying the formula—

(A x (D divided by (B + C))) + L

where—

A, B and C have the same meanings as in sub-paragraphs (2) and (3),

D is the amount stated by that precepting authority in a precept issued (or last issued) to a billing authority for the year under section 40(2)(b) of the 1992 Act,

L is the amount of any variation to any payment or instalment of a payment relating to a precept as agreed between the billing authority and that major precepting authority under paragraph 6(3)(b) of Schedule 1A to the Local Government Finance Act 1992(**a**), expressed as a positive amount where the calculation concerns a surplus and a negative amount where the calculation concerns a deficit."; and

(c) after paragraph 6(4) insert—

"(4A) Where the amount given by sub-paragraph (4) is a negative amount, the billing authority shall be liable to pay the equivalent positive amount to that major precepting authority and shall treat that equivalent positive amount for the purposes of regulation 3(6) as if it were that major precepting authority's share of a surplus in the collection fund for that year, calculated in accordance with regulation 11.".

Signed by authority of the Secretary of State for Communities and Local Government

Brandon Lewis
Parliamentary Under Secretary of State
Department for Communities and Local Government

25th November 2013

EXPLANATORY NOTE

(**a**) 1992 c.14. Schedule 1A was inserted by section 10 of and Schedule 4 to the Local Government Finance Act 2012 (c.17).

(This note is not part of the Regulations)

These Regulations amend the rules for the estimation and apportionment of surpluses and deficits in Schedule 2 to the Local Authorities (Funds) (England) Regulations 1992 ('the 1992 Regulations') and insert a new regulation into the 1992 Regulations as a consequence of changes made by the Local Government Finance Act 2012 introducing council tax reduction schemes.

The Local Government Finance Act 2012 introduced provisions to allow billing authorities and major precepting authorities to agree variations to precept payments within a financial year where the billing authority estimates that there will be a deficit to the collection fund for that year as a result of a council tax reduction scheme. These Regulations ensure that any such variations are properly taken into account in the formulae for calculating how the surplus or deficit estimates are to be shared among or borne between a billing authority and its relevant major precepting authorities and ensure that billing authorities repay precept payment variations where there is no surplus or deficit in the collection fund at the point at which the surplus and deficit calculations are made.

An impact assessment has not been produced for this instrument as no impact on the private, or voluntary sectors is foreseen and the impact on the public sector is minimal.

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