

LOCAL GOVERNMENT FINANCE BILL: Keeling Schedule for sections 52ZA to 52ZE of the Local Government Finance Act 1992 as amended by clause 4 of the Local Government Finance Bill.

This document shows provisions in the Local Government Finance Act 1992 as they would be amended by the Bill. It is intended to assist the consideration of provisions in the Bill and should not be taken as a definitive statement of the law as it would have effect on the enactment of the Bill.

Deletions are shown ~~struck through~~ and additions in *italics*

Part I - Council Tax: England and Wales

Chapter 4ZA - Referendums Relating to Council Tax Increases

Section 52ZA Interpretation of Chapter

(1) In this Chapter--

- (a) a reference to a billing authority is to a billing authority in England,
- (b) a reference to a major precepting authority is to a major precepting authority in England, and
- (c) a reference to a local precepting authority is to a local precepting authority in England.

(2) In this Chapter--

- (a) a reference to an authority is to an authority of a kind mentioned in subsection (1) above;
- (b) a reference to a precepting authority is to an authority of a kind mentioned in subsection (1)(b) or (c) above.

(3) Section 52ZX below defines references in this Chapter to an authority's relevant basic amount of council tax.

Section 52ZB Duty to determine whether council tax excessive

(1) A billing authority must determine whether its relevant basic amount of council tax for a financial year is excessive.

(2) Sections 52ZF to 52ZI below (duty to hold referendum etc in case of excessive council tax increase by billing authority) apply where the amount mentioned in subsection (1) above is excessive.

(3) A major precepting authority must determine whether its relevant basic amount of council tax for a financial year is excessive.

(4) Sections 52ZJ and 52ZK and 52ZN to 52ZP below (duty to hold referendum etc in case of excessive council tax increase by major precepting authority) apply where an amount mentioned in subsection (3) above is excessive.

(5) A local precepting authority must determine whether its relevant basic amount of council tax for a financial year is excessive.

(6) Sections 52ZL to 52ZP below (duty to hold referendum etc in case of excessive council tax increase by local precepting authority) apply where the amount mentioned in subsection (5) above is excessive.

~~(7) A determination under this section for a financial year must be made as soon as is reasonably practicable after principles under section 52ZC below for that year are approved by a resolution of the House of Commons under section 52ZD below.~~

(7) A determination under this section for a financial year (“the relevant year”) must be made by an authority—

(a) in a case where a report under section 52ZD below relating to the relevant year and the authority is made in the financial year immediately preceding the relevant year, as soon as is reasonably practicable after—

(i) the report is made, and

(ii) the authority makes the relevant calculations for the relevant year;

(b) in any other case, as soon as is reasonably practicable after the authority makes the relevant calculations for the relevant year.

(8) *"The relevant calculations" means—*

(a) in the case of a billing authority, the calculation required by section 31B(1) above;

(b) in the case of a major precepting authority other than the Greater London Authority, the calculation required by section 42B(1) above;

(c) in the case of the Greater London Authority, the calculation required by section 88(2) of the Greater London Authority Act 1999 and any additional calculations required by section 89(3) of that Act;

(d) in the case of a local precepting authority, the calculations required by section 49A above."

Section 52ZC Determination of whether increase is excessive

(1) The question whether an authority's relevant basic amount of council tax for a financial year ("the year under consideration") is excessive must be decided in accordance with a set of principles determined by the Secretary of State for the year.

(2) A set of principles--

(a) may contain one principle or two or more principles;

(b) must constitute or include a comparison falling within subsection (3) below.

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

(a) the authority's relevant basic amount of council tax for the year under consideration, and

(b) the authority's relevant basic amount of council tax for the financial year immediately preceding the year under consideration.

(4) If for the purposes of this section the Secretary of State determines categories of authority for ~~the year under consideration~~ *a financial year--*

(a) any principles determined for the year must be such that the same set is determined for all authorities (if more than one) falling within the same category;

(b) as regards an authority which does not fall within any of the categories, the authority's relevant basic amount of council tax for the year is not capable of being excessive for the purposes of this Chapter.

(5) If the Secretary of State does not determine such categories *for a financial year*, any principles determined for ~~the year under consideration~~ *the year* must be such that the same set is determined for all authorities.

(6) A principle that applies to the Greater London Authority and that constitutes or includes a comparison falling within subsection (3) above may only provide for--

(a) a comparison between unadjusted relevant basic amounts of council tax,

(b) a comparison between adjusted relevant basic amounts of council tax, or

(c) a comparison within paragraph (a) and a comparison within paragraph (b).

(7) In determining categories of authorities for ~~the year under consideration~~ *a financial year* the Secretary of State must take into account any information that the Secretary of State thinks is relevant.

Section 52ZD ~~Approval~~ Determination of principles

~~(1) The principles for a financial year must be set out in a report which must be laid before the House of Commons.~~

(1) Any set of principles determined under section 52ZC above for a financial year must be set out in a report made by the Secretary of State.

(1A) A report under this section—

(a) may set out principles for more than one financial year;

(b) may set out different sets of principles for different financial years.

(1B) Before making a report under this section setting out any principles, the Secretary of State must consult such representatives of local government as the Secretary of State considers appropriate about the principles.

~~(2) If a report for a financial year is not laid before the specified date or, if so laid, is not approved by resolution of the House of Commons on or before the specified date— If no report setting out principles for a financial year is made before the beginning of the year—~~

(a) no principles have effect for that year, and

(b) accordingly, no authority's relevant basic amount of council tax for the year is capable of being excessive for the purposes of this Chapter.

(3) If the Secretary of State does not propose to determine a set of principles for a financial year, the Secretary of State must ~~lay a report before the House of Commons before the specified date~~ *make a report before the beginning of that year* giving the Secretary of State's reasons for not doing so.

(3A) But nothing in subsection (3) prevents the Secretary of State from subsequently determining a set of principles for the year in accordance with this section.

(3B) If before the beginning of a financial year the Secretary of State makes a report under this section setting out a set of revised principles for the year, the revised principles have effect for that year.

(3C) If before the beginning of a financial year the Secretary of State determines that the principles determined for the year are not to have effect for the year—

(a) the Secretary of State must make a report before the beginning of the year giving the Secretary of State's reasons for the determination, and

(b) subsection (2) has effect as if no report setting out principles for the year had been made.

(3D) If, before the beginning of a financial year for which the Secretary of State has determined categories of authority under section 52ZC(4) above, the Secretary of State determines that a set of principles determined for a category of authority for that year is not to have effect for the year—

(a) the Secretary of State must make a report before the beginning of the year giving the Secretary of State's reasons for the determination, and

(b) as regards any authority falling within that category, the authority's relevant basic amount of council tax for the year is not capable of being excessive for the purposes of this Chapter.

(3E) As soon as is reasonably practicable after making a report under this section, the Secretary of State must—

(a) send a copy of the report to each billing authority and major precepting authority, and

(b) publish the report in the way appearing to the Secretary of State to be best calculated to bring it to the attention of those who may be affected by it.

~~(4) In this section "the specified date", in relation to a financial year, means the date on which the local government finance report for the year under paragraph 5(1) of Schedule 7B to the 1988 Act is approved by resolution of the House of Commons.~~

Section 52ZE Alternative notional amounts

(1) The Secretary of State may make a report specifying an alternative notional amount in relation to any year under consideration and any authority.

(2) An alternative notional amount is an amount which the Secretary of State thinks should be used as the basis of any comparison in applying section 52ZC above in place of the authority's relevant basic amount of council tax for the preceding year.

(3) A report under this section--

(a) may relate to two or more authorities;

(b) may be amended by a subsequent report under this section;

(c) must contain such explanation as the Secretary of State thinks desirable of the need for the calculation of the alternative notional amount and the method for that calculation;

~~(d) must be laid before the House of Commons.~~

(3A) Before making a report under this section in relation to any authority, the Secretary of State must consult that authority.

(3B) As soon as is reasonably practicable after making a report under this section, the Secretary of State must send a copy of the report to every authority to which it relates.

~~(4) Subsection (5) below applies if a report under this section for a financial year is approved by resolution of the House of Commons on or before the date on which the report under section 52ZD above for that year is approved by resolution of the House of Commons~~ *(“the relevant ANA report”) is made on or before the relevant day.*

(4A) “The relevant day” means—

(a) in a case where a report under section 52ZD above setting out any principles determined for the year under consideration for any authority to which the relevant ANA report relates is made in the financial year immediately preceding the year under consideration, the day on which the report under that section is made;

(b) in any other case, the last day of the financial year immediately preceding the year under consideration.

(5) Section 52ZC above has effect, as regards the year under consideration and any authority to which ~~the report~~ the relevant ANA report relates, as if the reference in subsection (3) of that section to the authority's relevant basic amount of council tax for the financial year immediately preceding the year under consideration were a reference to the alternative notional amount for that year.

(6) In this section “year under consideration” has the same meaning as in section 52ZC above.