
STATUTORY INSTRUMENTS

1996 No. 176

COUNCIL TAX, ENGLAND AND WALES

The Local Government Changes for England (Council Tax) (Transitional Reduction) Regulations 1996

<i>Made</i>	- - - -	<i>1st February 1996</i>
<i>Laid before Parliament</i>		<i>1st February 1996</i>
<i>Coming into force</i>		
<i>for the purposes of regulation 4</i>		<i>22nd February 1996</i>
<i>for all other purposes</i>		<i>23rd February 1996</i>

The Secretary of State, in exercise of the powers conferred on him by sections 13 and 113(1) and (2) of the Local Government Finance Act 1992(1) and sections 19(1) and 26(3) and (4) of the Local Government Act 1992(2) and of all other powers enabling him in that behalf, hereby makes the following Regulations:—

Citation and commencement

1.—(1) These Regulations may be cited as the Local Government Changes for England (Council Tax) (Transitional Reduction) Regulations 1996.

(2) These Regulations shall come into force for the purposes of regulation 4 on 22nd February 1996, and for all other purposes on 23rd February 1996.

Interpretation

2.—(1) In these Regulations—

“the Act” means the Local Government Act 1992;

“the 1992 Act” means the Local Government Finance Act 1992;

“the Benefit Regulations” means the Council Tax Benefit (General) Regulations 1992(3);

“council tax figure” means a figure calculated in accordance with Schedule 1 to these Regulations;

(1) 1992 c. 14; see section 116(1) for the definition of prescribed.

(2) 1992 c. 19.

(3) S.I.1992/1814; to which amendments have been made which are not relevant to these Regulations.

“the Disabilities Regulations” means the Council Tax (Reductions for Disabilities) Regulations 1992(4);

“discounted chargeable amount” in relation to a person, a dwelling and a day, means the amount estimated by the relevant billing authority as that which the person would be liable to pay in respect of council tax as regards the dwelling and the day if his liability fell to be calculated solely by reference to section 10 of the 1992 Act or, as his circumstances require, that section read with section 11 of the 1992 Act; but in the application of this definition to a person who is an eligible person for the purposes of the Disabilities Regulations, the estimate shall be made as if, in the definition of “A” in section 10 of the 1992 Act, there were substituted, for the reference to the valuation band listed for the dwelling, a reference to the alternative valuation band;

“existing area” means an area which immediately before, and on, 1st April 1996 formed part of the area of the same relevant billing authority;

“relevant area” means an existing area, or a transferred area, in relation to which the council tax figure is greater than £104, and a “relevant dwelling” is a dwelling situated in a relevant area;

“relevant billing authority” means a billing authority which is subject to a section 17 order in respect of which the reorganisation date is 1st April 1996, or which is situated in the area of a county council which is subject to such an order and in these Regulations is referred to as a “reorganised county”;

“the reorganisation date” means the date (being 1st April in any year) which is specified in a section 17 order;

“section 17 order” in relation to an authority means an order under section 17 of the Act affecting that authority; and

“transferred area” means an area which formed part of the area of a billing authority (in these Regulations referred to as a “transferor authority”) immediately before 1st April 1996, and of another billing authority (in these Regulations referred to as a “transferee authority”) on and after that date.

(2) Any reference in these Regulations to a billing authority shall, during the preliminary period, include an authority which has the functions of a billing authority as regards the initial year, under Chapter 1 of Part I of the 1992 Act, by virtue of regulation 49(1) of the Local Government Changes for England (Finance) Regulations 1994(5); for this purpose “initial year” and “preliminary period” have the same meaning as in those Regulations.

(3) Any reference in these Regulations to a liable person is a reference to a person who is liable (whether his liability is sole or joint and several) to pay to a billing authority, in respect of a particular dwelling, an amount in respect of council tax, and includes, unless the context otherwise requires, a reference to a person who in the opinion of the authority will be so liable; and references to the amount which a person is liable to pay shall be construed accordingly.

Prescribed year

3. The financial year beginning on 1st April 1996 is prescribed as the year for which these Regulations apply.

(4) S.I. 1992/554; relevant amendments are made by S.I. 1993/195.

(5) S.I. 1994/2825; these Regulations were amended by the Local Government Changes for England (Finance) (Amendment) Regulations 1995 (S.I. 1995/2862).

Modification of section 13 of the 1992 Act

4. In relation to chargeable dwellings in England and the year for which these Regulations apply, section 13(5) of the 1992 Act shall have effect as if after paragraph (d) there were inserted the following—

“(e) the location of the dwelling concerned in the area of a district or county council which is affected by a structural change, or a boundary change, made by or in consequence of an order under section 17 of the Local Government Act 1992; and for this purpose a “structural change” and a “boundary change” shall be construed in accordance with section 14 of that Act.(6).”

Persons to whom regulations apply

5. A person is an eligible person for the purposes of these Regulations on a particular day if, as regards that day, he is a liable person in respect of a relevant dwelling.

Calculation of amount payable

6.—(1) Subject to paragraph (2) below, the amount which an eligible person is liable to pay in respect of a relevant dwelling and a day shall be the discounted chargeable amount reduced by the deductible amount, and for this purpose the deductible amount shall be calculated by the relevant billing authority in accordance with Schedule 2 to these Regulations.

(2) Where a determination awarding council tax benefit under the Benefit Regulations is effective as regards a dwelling and a day in respect of which a person is an eligible person for the purposes of those Regulations, the amount which he is liable to pay in respect of that day shall be the amount ascertained in accordance with paragraph (1) above, less the amount of his council tax benefit for that day.

Supply of information by individuals

7. A billing authority may, for the purpose of considering whether these Regulations apply to any person, by written notice request that person to furnish to the authority within such period as it may reasonably specify, not being less than 21 days, such information specified in the notice as it may reasonably request of that person to assist it in considering that question.

Appeals

8.—(1) Where a billing authority makes a decision relating to the application or operation of these Regulations in relation to an individual, the authority shall, if requested in writing by the person so affected, provide him with a written statement of its decision and the reason for it; and any such statement shall be sent within 14 days from the date on which it is requested or as soon as is reasonably practicable thereafter.

(2) No appeal may be made on a valuation tribunal in respect of any decision of a billing authority relating solely to the application or operation of these Regulations; but a person aggrieved by such a decision may appeal to a review board appointed by the billing authority and constituted as mentioned in regulation 70(3) of the Benefit Regulations.

Notice of appeal

9. An appellant shall give notice of appeal under these Regulations in writing to the billing authority.

(6) 1992 c. 19.

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Procedure for appeals

10.—(1) Regulations 71(2) to (9) and 72(4) and (5) of the Benefit Regulations shall apply with the necessary modifications for the purposes of an appeal under these Regulations as they apply for the purposes of a further review.

(2) A billing authority shall comply with any decision of its review board.

Signed by authority of the Secretary of State for the Environment

1st February 1996

David Curry
Minister of State,
Department of the Environment

SCHEDULE 1

Regulation 2

COUNCIL TAX FIGURE

Interpretation

1. In this Schedule—

- (a) “council tax base” means an authority’s council tax base calculated, where the authority is a billing authority, in accordance with section 33 of the 1992 Act and Regulations made under that section, and, where the authority is a major precepting authority, in accordance with section 44 of that Act and Regulations made under that section,
- (b) “Finance Report” means the Local Government Finance Report (England) 1995/96 approved by the House of Commons on 30th January 1995,
- (c) “existing billing authority” means the billing authority in the area of which the relevant area was situated in the financial year beginning on 1st April 1995, and “existing county” means the county council in the area of which the relevant area was situated in that year,
- (d) “new authority” means a new authority established by a section 17 order as a district council for an area, but does not include an authority established as described in section 14(6) of the Act,
- (e) “Notional Amounts Report” means the Limitation of Council Tax and Precepts (Relevant Notional Amounts) Report (England) 1996/97 approved by the House of Commons on 31st January 1996,
- (f) “RSG tax base” means an authority’s council tax base for Revenue Support Grant purposes, and
- (g) “SSA” means standard spending assessment and has the same meaning as in the Finance Report.

Formula

2. The council tax figure is calculated by applying the formula

$$A - B$$

where—

A is the notional council tax for the existing or transferred area, as defined in paragraph 3 below, and

B is the adjusted council tax for that area, as defined in paragraph 4 below.

Notional council tax

3.—(1) The notional council tax of an existing or transferred area shall be calculated by the Secretary of State to the nearest penny, any half penny being rounded up, in accordance with sub-paragraphs (2) to (5) below.

(2) The following formulae shall apply to the following relevant billing authorities—

(a) the formula in sub-paragraph (3) below to—

- (i) an existing district council to which are transferred by or in consequence of a section 17 order the functions of county councils in relation to the district council’s area, and
- (ii) a new authority which is a district council which has the functions of a county council;

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- (b) the formula in sub-paragraph (4) below to a district council, other than one to which sub-paragraph (a)(i) above applies, which is subject to a boundary change made by or in consequence of a section 17 order; for this purpose “boundary change” shall be construed in accordance with section 14 of the Act; and
 - (c) the formula in sub-paragraph (5) below to a district council which is not subject to a section 17 order but the area of which is situated in the area of a reorganised county.
- (3) The formula for the calculation of the notional council tax is—

$$\frac{D-E}{H} + \frac{F \times G}{H}$$

where—

D is the notional amount for the relevant billing authority specified against the name of that authority in Annex A to the Notional Amounts Report,

E is the figure shown opposite the name of the relevant billing authority in column 2 of Part 1 of Schedule 3 to these Regulations, that figure being the Secretary of State’s estimate of what the relevant billing authority’s SSA for the financial year beginning on 1st April 1995 would have been had that date been the reorganisation date; the estimate is made using the methodology for the calculation of SSAs employed for the purposes of the Finance Report,

F is £507.426726906402, being the Standard Tax Element shown in Annex B to the Finance Report opposite the “Isle of Wight Council”,

G is the figure shown opposite the name of the relevant billing authority in column 3 of Part 1 of Schedule 3 to these Regulations, that figure being the RSG tax base of that authority for the financial year beginning on 1st April 1995; for this purpose—

- (a) where the relevant billing authority is an authority referred to in sub-paragraph (2)(a)(i) above, such RSG tax base is the RSG tax base which was calculated for the authority in accordance with the rules contained in Annex C to the Finance Report, and
- (b) where the relevant billing authority is an authority referred to in sub-paragraph (2)(a)(ii) above, such RSG tax base is the Secretary of State’s estimate of what that tax base would have been had the reorganisation date been 1st April 1995, calculated by aggregating the RSG tax bases for that year for each transferred area comprised in the area of the relevant billing authority, the RSG tax base for a transferred area being estimated by the Secretary of State using the rules contained in Annex C to the Finance Report and using information provided by the relevant transferor authority, and

H is the figure shown opposite the name of the relevant billing authority in column 4 of Part 1 of Schedule 3 to these Regulations, that figure being the council tax base of that authority for the financial year beginning on 1st April 1995; for this purpose—

- (a) where the relevant billing authority is an authority referred to in sub-paragraph (2)(a)(i) above, such council tax base is its council tax base calculated by the authority for that year, and
 - (b) where the relevant billing authority is an authority referred to in sub-paragraph (2)(a)(ii) above, such council tax base is the Secretary of State’s estimate of what that tax base would have been had the reorganisation date been 1st April 1995, calculated by aggregating the council tax bases for the financial year beginning on 1st April 1995 for each transferred area comprised in the area of the relevant billing authority, the council tax base for a transferred area being estimated by the Secretary of State using information provided by the relevant transferor authority; the figure for that council tax base for each transferred area is shown against the name of the transferor authority in column 3 of Part 4 of Schedule 3 to these Regulations.
- (4) The formula for the calculation of the notional council tax is—

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the aggregate of the formulae in sub-paragraphs (a) and (b) below—

(a)
$$\frac{J-K}{N} + \frac{L \times M}{N}$$

where—

J is the notional amount for the relevant billing authority specified against the name of the authority in Annex A to the Notional Amounts Report,

K is the figure shown opposite the name of the relevant billing authority in column 2 of Part 2 of Schedule 3 to these Regulations, that figure being the Secretary of State's estimate of what the authority's SSA for the financial year beginning on 1st April 1995 would have been had that date been the reorganisation date; the estimate is made using the methodology for the calculation of SSAs employed for the purposes of the Finance Report,

L is £78.859327957451, being the Standard Tax Element shown in Annex B to the Finance Report opposite "Non-Metropolitan District Councils", and

M is the figure shown opposite the name of the relevant billing authority in column 3 of Part 2 of Schedule 3 to these Regulations, that figure being the Secretary of State's estimate of what the authority's RSG tax base for the financial year beginning on 1st April 1995 would have been had that date been the reorganisation date, such estimate being made using the rules contained in Annex C to the Finance Report and using information provided by the relevant billing authority, and

N is the figure shown opposite the name of the relevant billing authority in column 4 of Part 2 of Schedule 3 to these Regulations, that figure being the Secretary of State's estimate of what the authority's council tax base for the financial year beginning on 1st April 1995 would have been had that date been the reorganisation date, such estimate being made using information provided by the relevant billing authority, and

(b)
$$\frac{Jc - Kc}{Nc} + \frac{Lc \times Mc}{Nc}$$

where—

Jc is the notional amount for the reorganised county specified opposite the name of the authority in Annex A to the Notional Amounts Report,

Kc is the figure shown opposite the name of the reorganised county in column 2 of Part 3 of Schedule 3 to these Regulations, that figure being the Secretary of State's estimate of what the reorganised county's SSA for the financial year beginning on 1st April 1995 would have been had that date been the reorganisation date; the estimate is made using the methodology for the calculation of SSAs employed for the purposes of the Finance Report,

Lc is £428.567398948952, being the Standard Tax Element shown in Annex B to the Finance Report opposite "County Councils (except the Isle of Wight Council)",

Mc is the figure shown opposite the name of the reorganised county in column 3 of Part 3 of Schedule 3 to these Regulations, that figure being the Secretary of State's estimate of what the reorganised county's RSG tax base for the financial year beginning on 1st April 1995 would have been had that date been the reorganisation date; for this purpose the RSG tax base is estimated by the Secretary of State by aggregating the RSG tax bases for that year of each of the billing authorities to which the reorganised county is entitled to issue a precept in respect of the financial year beginning on 1st April 1996, the RSG tax base for such a billing authority being—

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- (a) where the billing authority is one referred to in sub-paragraph (2)(c) above, the RSG tax base which was calculated for the authority in accordance with the rules contained in Annex C to the Finance Report, and
- (b) in any other case, the figure for item M calculated for the purposes of sub-paragraph (4)(a) above, and

N_c is the figure for that council tax base shown opposite the name of the reorganised county in column 4 of Part 3 of Schedule 3 to these Regulations, that figure being the Secretary of State's estimate of what the reorganised county's council tax base for the year beginning 1st April 1995 would have been had that date been the reorganisation date; for this purpose the council tax base is estimated by the Secretary of State by aggregating the council tax bases for that year of each of the billing authorities to which the reorganised county is entitled to issue a precept in respect of the financial year beginning on 1st April 1996, the council tax base for a such a billing authority being—

- (a) where the billing authority is one referred to in sub-paragraph (2)(c) above, its council tax base for the financial year beginning on 1st April 1995, calculated by the authority, and
- (b) in any other case, the figure for item N calculated for the purposes of sub-paragraph (4)(a) above.

(5) The formula for the calculation of the notional council tax is—

$$\frac{J_c - K_c}{N_c} + \frac{L_c \times M_c}{N_c}$$

where

J_c and L_c have the same meaning as in paragraph (4)(b) above and K_c, M_c and N_c are the figures for those items shown opposite the name of the reorganised county in Part 3 of Schedule 3 to these Regulations.

Adjusted council tax

4.—(1) Subject to sub-paragraph (2) below, the adjusted council tax of an existing or transferred area shall be calculated by the Secretary of State to the nearest penny, any half penny being rounded up, by aggregating the formulae in paragraphs (a) and (b) below—

(a)
$$\frac{P - R - S}{T}$$

where—

P is the existing billing authority's budget requirement for the financial year beginning on 1st April 1995 calculated by the authority in accordance with section 32 of the 1992 Act and Regulations made under that section,

R is the aggregate of the amounts payable to the existing billing authority in the financial year beginning on 1st April 1995 in respect of Revenue Support Grant and the Distributable Amount, referred to in paragraphs 2 and 5 of the Finance Report, and calculated by reference to that report,

S is the aggregate of the amounts of any precepts from local precepting authorities issued to, or anticipated by, the existing billing authority in relation to the financial year beginning on 1st April 1995 and taken into account by it under section 32(6) of the 1992 Act, and

T is the council tax base of the existing billing authority for the financial year beginning on 1st April 1995, and

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(b)
$$\frac{P_c - R_c}{T_c}$$

where

P_c is the existing county's budget requirement for the financial year beginning on 1st April 1995 calculated by the county in accordance with section 43 of the 1992 Act and Regulations made under that section,

R_c is the aggregate of the amounts payable to the existing county in the financial year beginning on 1st April 1995 in respect of Revenue Support Grant and the Distributable Amount, referred to in paragraphs 2 and 5 of the Finance Report, and calculated by reference to that report, and

T_c is the council tax base of the existing county for the financial year beginning on 1st April 1995.

(2) Where the existing or transferred area is situated in the area of an authority referred to in paragraph 3(2)(c) above, the adjusted council tax shall be calculated by the Secretary of State to the nearest penny, any half penny being rounded up, according to the following formula—

$$\frac{P_c - R_c}{T_c}$$

where

P_c , R_c and T_c have the same meanings as in sub-paragraph (1)(b) above.

SCHEDULE 2

Regulation 6

DEDUCTIBLE AMOUNT

1. Subject to paragraph 2 below, the deductible amount is calculated by applying the following formula—

$$\frac{(C - U) \times V}{W} = X$$

where—

C is the council tax figure calculated in accordance with Schedule 1 to these Regulations,

U is £104,

V is the council tax base for the relevant area for the financial year beginning on 1st April 1995; for this purpose—

- (a) where the relevant billing authority is an authority referred to in paragraph 3(2)(a)(i) above, the council tax base for the relevant area is the figure for item H shown opposite the name of the authority in column 4 of Part 1 of Schedule 3 to these Regulations,
- (b) where the relevant billing authority is an authority referred to in paragraph 3(2)(a)(ii) above, the council tax base for the relevant area is the figure shown opposite the name of the relevant transferor authority in column 3 of Part 4 of Schedule 3 to these Regulations,
- (c) where the relevant billing authority is an authority referred to in paragraph 3(2)(b) above, the council tax base for the relevant area is the figure shown opposite the name of the relevant billing authority in column 4 of Part 2 of Schedule 3 to these Regulations, and
- (d) where the relevant billing authority is an authority referred to in paragraph 3(2)(c) above, the council tax base for the relevant area is the relevant billing authority's council tax base, calculated by the authority for that year,

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W is the council tax base for the relevant area for the financial year beginning on 1st April 1996, calculated by the relevant billing authority, and

X, if it is a positive amount, is the deductible amount for a relevant dwelling in valuation band D and, if it is not a positive amount, the deductible amount is zero.

2. The deductible amount for a relevant dwelling in any valuation band other than band D shall bear the same relation to the deductible amount for a relevant dwelling in valuation band D calculated in accordance with paragraph 1 above, as the figure for that band, set out in section 5 of the 1992 Act, bears to the figure set out in that section for band D.

SCHEDULE 3

PART 1

Figures for the purposes of Schedule 1, paragraph 3(3)

(1) relevant billing authority	(2) E	(3) G	(4) H
The district of Bath and North East Somerset	104,933,690	60,991	59,096
The City of Bristol	269,429,259	123,085	117,268
The district of South Gloucestershire	136,852,247	77,285	77,398
The district of North West Somerset	112,189,224	65,720	63,121
The borough of Hartlepool	72,564,730	25,371	24,912
The borough of Middlesbrough	122,522,718	39,252	38,410
The borough of Redcar and Cleveland	110,620,804	42,239	40,621
The borough of Stockton-on-Tees	132,803,217	51,456	50,427
The district of the East Riding of Yorkshire	195,997,339	100,386	99,045
The City of Kingston upon Hull	207,570,197	67,886	64,881
The district of North East Lincolnshire	117,566,323	45,163	43,777
The district of North Lincolnshire	105,687,368	44,724	44,499

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(1) relevant billing authority	(2) E	(3) G	(4) H
The district of York	104,199,777	58,905	56,745

PART 2

Figures for the purposes of Schedule 1, paragraph 3(4)

(1) relevant billing authority	(2) K	(3) M	(4) N
The borough of Harrogate	12,239,414	54,922	53,839
The district of Ryedale	4,601,348	19,150	18,737
The district of Selby	6,698,612	24,800	24,154

PART 3

Figures for the purposes of Schedule 1, paragraph 3(4)

(1) reorganised county	(2) Kc	(3) Mc	(4) Nc
The county of North Yorkshire	308,047,101	203,671	198,089

PART 4

Figures for the purposes of calculation of H in Schedule 1, paragraph 3(3) and V in Schedule 2, paragraph 1

(1) relevant billing authority	(2) transferor authority	(3) council tax base for transferred area
The district of Bath and North East Somerset	The City of Bath	29,785
The district of Bath and North East Somerset	The district of Wansdyke	29,312
The district of South Gloucestershire	The borough of Kingswood	30,208
The district of South Gloucestershire	The district of Northavon	47,190

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(1) relevant billing authority	(2) transferor authority	(3) council tax base for transferred area
The district of the East Riding of Yorkshire	The borough of Beverley	40,597
The district of the East Riding of Yorkshire	The borough of Boothferry	13,845
The district of the East Riding of Yorkshire	The borough of East Yorkshire	28,484
The district of the East Riding of Yorkshire	The borough of Holderness	16,119
The district of North East Lincolnshire	The borough of Cleethorpes	19,891
The district of North East Lincolnshire	The borough of Great Grimsby	23,886
The district of North Lincolnshire	The borough of Boothferry	6,191
The district of North Lincolnshire	The borough of Glanford	22,158
The district of North Lincolnshire	The borough of Scunthorpe	16,150
The district of York	The borough of Harrogate	1,915
The district of York	The district of Ryedale	16,029
The district of York	The district of Selby	7,096
The district of York	The City of York	31,705

EXPLANATORY NOTE

(This note is not part of the Regulations)

Under Part II of the Local Government Act 1992, where recommendations for changes to local government in England are made by the Local Government Commission, the Secretary of State may make an order (“a reorganisation order”). The Local Government Changes for England (Finance) Regulations 1994 make transitional provision for local authorities subject to a reorganisation order.

These Regulations provide for the reduction in certain cases of the amount that a person is liable to pay by way of council tax to a billing authority which is subject to a reorganisation order, or is in the area of a county affected by such an order (regulations 5 and 6). They have effect in relation to the financial year beginning on 1st April 1996 (regulation 3) and for this year section 13 of the Local Government Finance Act 1992 is modified (regulation 4).

A person is eligible for a reduction for any day as regards which his liability relates to a dwelling in an area where, broadly, the difference if positive (“the council tax figure”) between a notional council tax (calculated under paragraph 3 of Schedule 1) and an adjusted council tax (calculated under paragraph 4 of Schedule 1) exceeds £104. The amount of the reduction allowed is calculated under Schedule 2 by reference to the dwelling’s valuation band.

Unless the Council Tax (Reductions for Disabilities) Regulations 1992 applied on 1st April 1996, the relevant valuation band is the one to which the dwelling was assigned in the billing authority’s valuation list on that date. Where those Regulations applied, account is taken of the lower valuation band applicable for the purposes of those Regulations. Any discount provided for in section 11 of the 1992 Act is also taken into account (see the definition of “discounted chargeable amount” in regulation 2).

Where there is an entitlement to council tax benefit, the amount of the benefit is deducted from the amount an eligible person is liable to pay after calculation of relief under these Regulations (regulation 6(2)).

Regulation 7 enables a billing authority to obtain information for the purpose of establishing whether or not these Regulations apply to any person. Regulation 8 provides for appeals in connection with these Regulations to be considered by a review board of the billing authority, rather than by a valuation tribunal. Regulations 9 and 10 relate to the appeal procedure.