
STATUTORY INSTRUMENTS

1992 No. 612

COUNCIL TAX, ENGLAND AND WALES

The Local Authorities (Calculation of Council Tax Base) Regulations 1992

<i>Made</i>	- - - -	<i>10th March 1992</i>
<i>Laid before Parliament</i>		<i>11th March 1992</i>
<i>Coming into force</i>	- -	<i>1st April 1992</i>

The Secretary of State for the Environment, as respects England, and the Secretary of State for Wales, as respects Wales, in exercise of the powers conferred on them by sections 33(1), (5) and (6), 34(4), 44(1), (5) and (6), 45(3) to (5), 48(3) to (6) and 113(1) and (2) of the Local Government Finance Act 1992⁽¹⁾ and of all other powers enabling them in that behalf, hereby make the following Regulations—

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Local Authorities (Calculation of Council Tax Base) Regulations 1992 and shall come into force on 1st April 1992.

(2) For the purposes of these Regulations—

- (a) unless the context otherwise requires, any reference to a section or a Schedule is a reference to a section of or a Schedule to the Local Government Finance Act 1992; and
- (b) a dwelling is exempt if it belongs to a class prescribed by an order made by the Secretary of State under section 4(2).

(3) In these Regulations—

“the 1988 Act” means the Local Government Finance Act 1988⁽²⁾;

“the appropriate percentage” means 25 per cent. or, if the Secretary of State has made an order under section 11(3) providing for a different appropriate percentage in relation to the financial year in question, the percentage specified in the order;

“the authority’s list” means the copy of the authority’s valuation list deposited by it under section 22(8);

“chargeable dwelling” means any dwelling in respect of which council tax is payable.

(1) 1992 c. 14. See section 116(1) for the definition of “prescribed”.

(2) 1988 c. 41.

Application of rules

2. The rules contained in these Regulations are to apply to the making for any financial year beginning on or after 1st April 1993 of the calculations required by item T in sections 33(1) and 44(1) and item TP in sections 34(3), 45(3) and 48(3) and (4).

Calculation of billing authority's council tax base

3.—(1) For the purposes of item T in section 33(1), a billing authority's council tax base for a financial year shall be calculated by applying the formula—

$$A \times B$$

where—

A is the total of the relevant amounts for that year for each of the valuation bands which is shown or is likely to be shown for any day in that year in the authority's valuation list as applicable to one or more dwellings situated in its area;

B is the authority's estimate of its collection rate for that year.

(2) A billing authority shall estimate its collection rate for a financial year for the purposes of paragraph (1) above by estimating the aggregate of the amounts which are likely to be paid to the authority as mentioned in sub-paragraph (a) below or transferred to its collection fund as mentioned in sub-paragraph (b) below, less any amounts which are likely to be transferred from its collection fund as mentioned in that sub-paragraph, in that or any other financial year, expressed as a proportion of its estimate of the aggregate of—

- (a) the total of any amounts in respect of council tax for that year which are payable to the authority under the Local Government Finance Act 1992 less the total of any council tax reductions for that year falling within paragraph (3)(a) or (b) below; and
 - (b) the total of any amounts in respect of council tax reductions which are transferable for that year to the authority's collection fund pursuant to directions under section 98(5) of the 1988 Act⁽³⁾ less the total of any such amounts which are transferable for that year from the authority's collection fund pursuant to directions under section 98(4) of the 1988 Act.
- (3) For the purposes of paragraph (2) above, "council tax reductions" means any amount—
- (a) by which the amount a person is liable under the Local Government Finance Act 1992 to pay in respect of council tax is reduced pursuant to regulations under section 138 of the Social Security Administration Act 1992;⁽⁴⁾
 - (b) which an authority determines pursuant to paragraph 6 or 7 of Schedule 2 that a person is not required to pay; or
 - (c) by which the amount a person is liable to pay in respect of council tax is reduced pursuant to regulations under section 13.

Calculation of the relevant amounts for the financial year beginning on 1st April 1993

4.—(1) For the purposes of regulation 3, the relevant amount for the financial year beginning on 1st April 1993 ("the year") for a valuation band ("the band") is the amount found by applying the formula—

$$\left(C - (D \times E) \right) \frac{F}{G}$$

where—

(3) Section 98 of the 1988 Act is amended by paragraph 23 of Schedule 10 to the Local Government Finance Act 1992.

(4) 1992 c. 5; section 138 is amended by paragraph 19 of Schedule 9 to the Local Government Finance Act 1992.

C is the number of chargeable dwellings in the area of the billing authority which will be listed in the band calculated by the authority in accordance with paragraphs (2), (3) and (5) below;

D is the number of discounts to which the council tax payable in respect of such dwellings will be subject estimated by the authority in accordance with paragraphs (4) to (6) below;

E is the appropriate percentage;

F is the number which, in the proportion set out in section 5(1), is applicable as regards the year to dwellings listed in the band;

G is the number which, in that proportion, is applicable as regards the year to dwellings listed in valuation band D.

(2) Subject to paragraphs (3) and (5) below, the authority shall calculate the number of chargeable dwellings for the purposes of item C in paragraph (1) above by—

- (a) ascertaining the number of dwellings listed in the band in the copy of the valuation list which the listing officer for the authority proposes to compile and which he has sent to the authority pursuant to section 22(5)(b);
- (b) adding to the number ascertained in accordance with sub-paragraph (a) above the authority's estimate of the number of dwellings which do not fall within that sub-paragraph but which will be listed in the band in the authority's list for the whole or part of the year;
- (c) subtracting from the resulting number the authority's estimate of—
 - (i) the number of dwellings falling within sub-paragraph (a) above which will not be listed in the band in the authority's list for the whole or part of the year; and
 - (ii) the number of dwellings falling within sub-paragraph (a) or (b) above which will be exempt at any time in the year during a period for which they will be listed in the band in the authority's list.

(3) For the purposes of paragraph (2) above, in any case where—

- (a) the person who is liable to pay council tax in respect of a dwelling is liable to pay a reduced amount pursuant to regulations under section 13; and
- (b) the reduced amount is calculated by reference to a different valuation band from the band in which it is listed; the authority shall treat the dwelling as being listed in the different valuation band for the period in respect of which the calculation is made.

(4) Subject to paragraphs (5) and (6) below, the authority shall estimate the number of discounts for the purposes of item D in paragraph (1) above by treating the amount of council tax payable in respect of a dwelling which for the whole or part of the year—

- (a) will be subject to a discount equal to the appropriate percentage of that amount as subject to one discount; and
- (b) will be subject to a discount equal to twice the appropriate percentage as subject to two discounts.

(5) Where it appears to the authority likely that—

- (a) a dwelling will be listed in a band in the authority's list, or will not be so listed, for part of the year;
- (b) a dwelling will be exempt for part of the year during a period for which it will be listed in a band in the authority's list; or
- (c) the amount of council tax payable in respect of a dwelling will be subject to a discount for part of the year equal to the appropriate percentage;

the authority shall, for the purposes of making any of the estimates referred to in paragraph (2) or (4) above, treat such a dwelling or discount as a fraction produced by dividing the number of days in that part of the year by the number of days in the year.

(6) Where it appears to the authority likely that the amount of council tax payable in respect of a dwelling will be subject to a discount for part of the year equal to twice the appropriate percentage, the authority shall, for the purpose of making the estimate referred to in paragraph (4) above, treat the discount as equal to twice the fraction produced by dividing the number of days in that part of the year by the number of days in the year.

Calculation of the relevant amounts for a financial year beginning on or after 1st April 1994

5.—(1) For the purposes of regulation 3, the relevant amount for a financial year beginning on or after 1st April 1994 (“the year”) for a valuation band (“the band”) is the amount found by applying the formula—

$$\left(H - (I \times E) + J \right) \frac{F}{G}$$

where—

H is the number of chargeable dwellings in the area of the billing authority listed in the band on the relevant day calculated by the authority in accordance with paragraph (2) below;

I is the number of discounts to which the council tax payable in respect of such dwellings was subject on the relevant day estimated by the authority in accordance with paragraphs (4) and (5) below;

E is the appropriate percentage;

J is the amount of any adjustment in respect of changes in the number of chargeable dwellings or discounts calculated by the authority in accordance with paragraph (6) below;

F is the number which, in the proportion set out in section 5(1), is applicable as regards the year to dwellings listed in the band;

G is the number which, in that proportion, is applicable as regards the year to dwellings listed in valuation band D.

(2) The authority shall calculate the number of chargeable dwellings for the purposes of item H in paragraph (1) above by deducting from the number of dwellings listed in the band on the relevant day its estimate of the number of such dwellings which were exempt on that day.

(3) For the purposes of paragraph (2) above, the authority shall ascertain the number of dwellings listed in any valuation band by reference to—

- (a) the state on the relevant day of the authority’s list, including any alterations of the list which were shown as having effect on that day; and
- (b) any alterations of the valuation list maintained by the listing officer for that authority which were not shown on the authority’s list but of which the authority had been informed by the listing officer and which had effect on that day.

(4) The authority shall estimate the number of discounts for the purposes of item I in paragraph (1) above by treating the amount of council tax payable in respect of a dwelling which—

- (a) was subject to a discount equal to the appropriate percentage of that amount as subject to one discount; and
- (b) was subject to a discount equal to twice the appropriate percentage as subject to two discounts.

(5) The authority shall make the estimates required for the purposes of items H and I in paragraph (1) above on the basis of all the information available to the authority on the relevant day.

(6) The authority shall calculate the amount of any adjustment for the purposes of item J in paragraph (1) above as equal to the amount by which the number which the authority calculates in accordance with paragraph (7) below exceeds the number which the authority calculates in accordance with paragraph (8) below; and if there is no such excess, the adjustment shall be nil or, as the case may be, a negative amount.

(7) Subject to paragraph (10) below, the authority shall calculate the aggregate of—

- (a) the authority's estimate of the number of chargeable dwellings which are not ascertained for the purposes of paragraph (2) above as listed in the band on the relevant day but which will be listed in the band for the whole or part of the year; and
- (b) the number calculated by applying the formula—

$$K \times E$$

where—

K is the authority's estimate of the number of discounts taken into account for the purposes of item I in paragraph (1) above which will not apply for the whole or part of the year;

E is the appropriate percentage.

(8) Subject to paragraph (10) below, the authority shall calculate the aggregate of—

- (a) the authority's estimate of the number of chargeable dwellings which are ascertained for the purposes of paragraph (2) above as listed in the band on the relevant day but which will not be listed in the band for the whole or part of the year or will be exempt at any time in the year or that part of the year for which they will be listed; and
- (b) the amount calculated by applying the formula—

$$L \times E$$

where—

L is the number of discounts, other than any discounts taken into account for the purposes of item I in paragraph (1) above, to which the amount of council tax payable in respect of dwellings taken into account for the purposes of item H in paragraph (1) above or falling within paragraph (7)(a) above will be subject for the whole or part of the year, estimated by the authority in accordance with paragraph (4) above;

E is the appropriate percentage.

(9) Paragraph (3) of regulation 4 shall apply for the purposes of making any of the calculations or estimates referred to in paragraphs (2), (7) and (8) above as it applies for the purposes of paragraph (2) of regulation 4.

(10) Paragraphs (5) and (6) of regulation 4 shall apply for the purposes of making any of the estimates referred to in paragraphs (7) and (8) above as they apply for the purposes of the estimates referred to in paragraphs (2) and (4) of regulation 4.

(11) For the purposes of this regulation, the relevant day is 30th November in the financial year preceding that for which the relevant amount is calculated.

Calculation of billing authority's council tax base for a part of its area

6.—(1) For the purposes of item TP in section 34(3), a billing authority's council tax base for a part of its area for any financial year ("the year") shall be calculated by applying the formula—

$$M \times \frac{N}{M+O}$$

where—

M is the unscaled council tax base for that part of the authority's area for the year;
 N is the authority's council tax base for the year for the purposes of item T in section 33(1);
 O is the unscaled council tax base for the remaining part of the authority's area for the year.

(2) For the purposes of paragraph (1) above, the unscaled council tax base for a part of a billing authority's area for the year shall be calculated in accordance with the rules contained in regulations 3 and 4 or, as the case may be, 5 but, for these purposes,—

- (a) any reference to dwellings shall be construed as a reference to dwellings situated in the part of the authority's area for which its council tax base is being calculated;
- (b) item B in regulation 3 is the amount determined for that item for the purposes of the calculation required by item T in section 33(1); and
- (c) in regulation 5, the relevant day in respect of the year is—
 - (i) where the authority determines the amount for item TP in section 34(3) in the period beginning on 1st December and ending on 31st January in the preceding financial year, 30th November in the preceding financial year; and
 - (ii) in any other case, the day on which the authority calculates the relevant amount for the year for the purposes of item TP in section 34(3).

Calculation of council tax base for the purposes of a major precepting authority

7.—(1) For the purposes of item T in section 44(1) and item TP in section 45(3), the council tax base for a billing authority's area for any financial year shall be calculated in accordance with the rules contained in regulations 3 and 4 or, as the case may be, 5 and, for these purposes, item B in regulation 3 and items C and D in regulation 4 or, as the case may be, items H, I and J in regulation 5 are the amounts determined for those items for the purposes of the calculation required by item T in section 33(1).

(2) For the purposes of item T in section 44(1) and item TP in sections 45(3) and 48(3) and (4), the council tax base for a part of a billing authority's area for any financial year shall be calculated in accordance with the rules contained in regulation 6 and, for these purposes, where the council tax base for that year for that part of the billing authority's area has been calculated for the purposes of item TP in section 34(3), items C and D in regulation 4 or, as the case may be, items H, I and J in regulation 5 are the amounts determined for those items for the purposes of the calculation required by item TP in that subsection.

Prescribed period

8. The period beginning on 1st December and ending on 31st January in the financial year preceding that for which the calculation of the council tax base is made is hereby prescribed for the purposes of item T in sections 33(1) and 44(1) and item TP in sections 45(3) and 48(3) and (4).

Determination of billing authority's council tax base

9.—(1) Item T in section 33(1) shall, in any case where a billing authority fails to notify its calculation for a financial year to each of the major precepting authorities concerned within the period prescribed in regulation 8, be determined by those authorities in the following manner.

(2) In any case where the billing authority has notified its calculation to one or more of the major precepting authorities concerned, item T shall be determined as the amount so notified by each of the major precepting authorities concerned.

(3) Subject to paragraph (5) below, in any other case item T shall be determined in accordance with the rules contained in regulations 3 and 4 or, as the case may be, 5, on the basis of all the information available to the major precepting authority making the determination but, for this

purpose, the relevant day in respect of a financial year is the day on which the authority calculates the relevant amount for the year for the purposes of the determination.

(4) A major precepting authority making a determination of item T for a financial year in accordance with paragraph (3) above shall have regard to, in particular,—

- (a) except in the case of the determination of item T for the financial year beginning on 1st April 1993, the amount of the billing authority's council tax base determined for item T for the preceding financial year; and
- (b) any amount calculated as the billing authority's council tax base for the financial year in question by the Secretary of State for the purposes of the distribution of revenue support grant under Part V of the 1988 Act⁽⁵⁾.

(5) Where one of the major precepting authorities concerned (“the first authority”) has made a determination of item T for a financial year in accordance with paragraph (3) above, item T shall be determined by the other major precepting authorities concerned as the amount determined by the first authority.

(6) In this regulation, “the major precepting authorities concerned” are any major precepting authorities which have power to issue precepts to the billing authority.

Determination of council tax base for the purposes of a major precepting authority

10.—(1) Item T in section 44(1) or, as the case may be, item TP in section 45(3) or 48(3) or (4) shall, in any case where one or more of the billing authorities concerned fails to notify any calculation required by those items for a financial year to a major precepting authority within the period prescribed in regulation 8, be determined by the major precepting authority in the following manner.

(2) In any case where one or more of the amounts required to be calculated by the item in question (a “required amount”) is notified to the major precepting authority within the period prescribed in regulation 8, the item shall be equal to the aggregate of such amounts and any other required amounts determined in accordance with paragraph (4) or, as the case may be, (5) below.

(3) In any other case the item in question shall be equal to the aggregate of the required amounts determined in accordance with paragraph (4) or, as the case may be, (5) below.

(4) Where the required amount is the amount of a billing authority's council tax base, the required amount shall be equal to the amount determined for item T in section 33(1) for the financial year in question.

(5) Where the required amount is the amount of a billing authority's council tax base for a part of its area, the required amount shall be calculated in accordance with the rules contained in regulation 6 on the basis of all the information available to the major precepting authority making the determination and, for this purpose, the relevant day in respect of a financial year is the day on which the authority calculates the relevant amount for the year for the purposes of the determination.

(6) In this regulation, “the billing authorities concerned” are any billing authorities to which the major precepting authority issues precepts for the financial year in question.

10th March 1992

Michael Heseltine
Secretary of State for the Environment

(5) Part V is amended by Part II of Schedule 10 to the Local Government Finance Act 1992.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

10th March 1992

David Hunt
Secretary of State for Wales

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations contain rules for the calculation of the council tax base, which is an amount required by the Local Government Finance Act 1992 to be used in the calculation of the council tax by billing authorities and major precepting authorities and in the calculation of the amount of a precept payable by each billing authority to a major precepting authority. They apply to the financial years beginning on or after 1st April 1993.

Regulations 3 to 5 provide for the calculation of the amount of a billing authority's council tax base for the purposes of the calculation of its council tax. Under the rules, the council tax base is, in essence, the number of dwellings in an area belonging to each valuation band, modified to take account of the proportion applying to dwellings in each band under section 5 of the 1992 Act, discounts under section 11 and in certain cases reduced amounts payable under section 13 of the Act, and the proportion of the council tax for the year which the billing authority expects to be able to collect. The rules are different for the financial year beginning on 1st April 1993 and subsequent years.

Regulation 6 provides for the calculation of a billing authority's council tax base for a part of its area for the purposes of the calculation of its council tax similarly to the way in which the council tax base is to be calculated for the whole of a billing authority's area under regulations 3 to 5.

Regulation 7 provides for the calculation of the council tax base of the area or part of the area of a billing authority for the purposes of the calculation of a major precepting authority's council tax and the amount payable by a billing authority to a major precepting authority, based on the rules set out in regulations 3 to 6.

Regulation 8 prescribes a period for the notification by a billing authority of the council tax base of its area or a part of its area to a major precepting authority. Regulations 9 and 10 provide for how the council tax base is to be determined where a billing authority fails to notify its calculation to a major precepting authority within the period prescribed by regulation 8.