
STATUTORY INSTRUMENTS

2003 No. 3012

COUNCIL TAX, ENGLAND

**The Local Authorities (Calculation of Council Tax
Base) (Amendment) (England) Regulations 2003**

Made - - - - *24th November 2003*
Laid before Parliament *27th November 2003*
Coming into force - - *19th December 2003*

The First Secretary of State, in exercise of the powers conferred upon him by sections 33(5) and (6), 34(4), 44(5) and (6), 45(4) and (5), 48(5) and (6) and 116 of the Local Government Finance Act 1992 (1) and sections 88(6) and (7) and 89(7) of the Greater London Authority Act 1999 (2) hereby makes the following Regulations:

Citation, commencement, application and interpretation

1.—(1) These Regulations may be cited as the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2003 and shall come into force on 19th December 2003.

(2) These Regulations apply in relation to authorities in England only (3).

(3) In these Regulations “the principal Regulations” means the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (4).

Interpretation of the principal Regulations

2. In regulation 1(3) of the principal Regulations, at the end add the following definition —

““a relevant percentage” means a percentage by which the amount of council tax payable in respect of any chargeable dwelling and any day is reduced due to the application of a discount under section 11 or 11A(5);”.

(1) 1992 c. 14.

(2) 1999 c. 29.

(3) The power to make regulations under sections 33(5) and (6), 34(4), 44(5) and (6), 45(4) and (5), 48(5) and (6) and 116 of the Local Government Finance Act 1992 in relation to Wales transferred from the Secretary of State to the National Assembly for Wales under article 2(a) of and Schedule 1 to the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672): see the entry in Schedule 1 for the Local Government Finance Act 1992.

(4) S.I. 1992/612, amended by S.I. 1992/1742, S.I. 1992/2943, S.I. 1999/3123 and S.I. 1999/3437.

(5) Section 11A was inserted by s.75(1) of the Local Government Act 2003 (c. 26).

Calculation of the relevant amounts for a financial year beginning on or after 1 April 2004

3. Before regulation 5A(6) of the principal Regulations, insert the following regulation—

“Calculation of the relevant amounts for a financial year beginning on or after 1 April 2004

5AA.—(1) For the purposes of regulation 3, the relevant amount for a financial year beginning on or after April 1, 2004 (“the year”) for a valuation band (“the band”) is the amount found by applying the formula—

$$(H - Q + J) \times (F \text{ divided by } G)$$

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;

Q is a factor to take account of the discounts to which the amount of council tax payable was subject on the relevant day calculated in accordance with paragraph (4) below;

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) Q is the aggregate of amounts found by multiplying, for each different relevant percentage, R by S, where—

R is the number of dwellings taken into account for the purposes of item H in paragraph (1) above, for which the amount of council tax payable for the relevant day was reduced by that relevant percentage, estimated by the authority in accordance with paragraph (5) below;

S is that relevant percentage.

(5) The authority shall make the estimates required for the purpose of paragraph (4) above on the basis of all the information available to the authority on the relevant day.

(6) Regulation 5A was inserted by the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 1999 (S.I.1999/3123).

(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 aggregate of amounts found by multiplying, for each different relevant percentage, U by V, where—

U is the authority's estimate of the number of dwellings in respect of which the amount of council tax payable for the relevant day was reduced by that relevant percentage and which were taken into account for the purposes of item R in paragraph (4) above, but in respect of which the amount of council tax payable for the whole or part of the year will not be reduced by that relevant percentage;

V is that relevant 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:

(i) will not be listed in the band for the whole or part of the year; or

(ii) will be exempt at any time in the year or that part of the year for which they will be listed; and

(b) the aggregate of amounts found by multiplying, for each different relevant percentage, W by X, where—

W is the number of dwellings, taken into account for the purposes of item H in paragraph (1) above or falling within paragraph (7)(a) above, in respect of which the amount of council tax payable for the whole or part of the year will be reduced by that relevant percentage, and which were not taken into account for the purposes of item R in paragraph (1) above, estimated by the authority in accordance with paragraph (4) above;

X is that relevant percentage.

(9) Paragraph (3) of regulation 4(7) 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) 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 of a relevant percentage for part of the year;

the authority shall, for the purposes of making any of the estimates referred to in paragraphs (7) or (8) 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.

- (11) For the purposes of this regulation, the relevant day—
- (a) in respect of the financial year beginning on 1st April 2004 is 20th December 2003; and
 - (b) in respect of financial years beginning on or after 1st April 2005 is 30th November in the financial year preceding that for which the relevant amount is calculated.”

Band A dwellings: reductions for disability

4. In regulation 5A(1) of the principal Regulations, for “3 and 5” substitute “3, 5 and 5AA”.

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

5. Regulation 6(2) of the principal Regulations is amended as follows—
- (a) for “5 but”, substitute “5 or 5AA but”;
 - (b) in sub-paragraph (c), after “regulation 5”, insert “or 5AA”.

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

6. Regulation 7 of the principal Regulations is amended as follows—
- (a) in paragraph (1)(8)—
 - (i) for “5 and” substitute “5 or 5AA and”;
 - (ii) after “regulation 5” insert “, or items H, Q and J in regulation 5AA”;
 - (b) in paragraph (2) after “regulation 5” insert “, or items H, Q and J in regulation 5AA”.

Prescribed period

7. Regulation 8 of the principal Regulations is amended as follows—
- (a) in paragraph (1) omit the words “paragraph (2)” and substitute “paragraphs (2) and (3)”;
 - (b) after paragraph (2) add—

“(3) In respect of the financial year beginning on 1st April 2004, the prescribed period for the purposes of item T in sections 33(1) and 44(1) of the 1992 Act and section 88(2) of the 1999 Act and item TP in sections 45(3) and 48(3) and (4) of the 1992 Act and item TP2 in section 89(4) of the 1999 Act is the period beginning on 21st December 2003 and ending with 31st January 2004.”

Determination of billing authority’s council tax base

8. In regulation 9(3) of the principal Regulations, for “be, 5” substitute “be, 5 or 5AA”.

(8) Regulation 7(1) was amended by S.I. [1999/3437](#).

Signed by authority of the First Secretary of State

24th November 2003

Phil Hope
Parliamentary Under Secretary of State,
Office of the Deputy Prime Minister

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (S.I.1992/612) (“the principal Regulations”) which provide for the calculation by billing authorities and major precepting authorities in England of the council tax bases for the whole and parts of their areas. These Regulations amend the principal Regulations in consequence of the insertion into the Local Government Finance Act 1992 (“the 1992 Act”) of section 11A by section 75 of the Local Government Act 2003.

Section 11A of the 1992 Act, allows billing authorities in England to reduce from 50% to a minimum of 10% the discount which applies under section 11 of the 1992 Act to dwellings falling into classes prescribed in regulations, or to reduce or end the 50% discount for dwellings falling into other classes prescribed in regulations. The classes of dwellings are prescribed in the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 (S.I. 2003/3011).

Regulation 2 of these Regulations includes in regulation 1(3) of the principal Regulations, a definition of “relevant percentage”. This is in addition to the definition of the appropriate percentage as section 11A of the 1992 Act allows a billing authority to reduce the council tax payable by percentages other than the appropriate percentage (25%) or twice the appropriate percentage.

Regulation 3 of these Regulations inserts a new regulation 5AA into the principal Regulations. This provides for the calculation of “the relevant amounts” by a billing authority for financial years beginning on or after 1 April 2004. The relevant amount for each council tax band is a measure of the number of dwellings in that band after taking account of exempt dwellings and discounts. The council tax base for the whole of a billing authority’s area (item T in section 33(1) of the 1992 Act) is found by adding together the relevant amount for each council tax band and multiplying this by the authority’s estimate of its collection rate (see regulation 3 of the principal Regulations). When calculating the tax base for financial years beginning on or after 1 April 2004, regulation 5AA requires the authority to take account of discounts under sections 11 and 11A of the 1992 Act. The relevant day for the financial year commencing 1 April 2004 will be 20 December 2003 (regulation 3(11) of these Regulations). For financial years commencing on or after 1 April 2005, the relevant day will be 30 November in the financial year preceding the year for which the calculations are made.

Regulations 4, 5, 6 and 8 of these Regulations insert references to the new regulation 5AA, and to items in the calculations in the new regulation 5AA, into regulations 5A, 6, 7 and 9 of the principal Regulations. The latter regulations provide for dwellings in band A in respect of which the amount of council tax payable is reduced in accordance with the Council Tax (Reductions for Disabilities) Regulations 1992 (S.I. 1992/554) to be treated as if they were in an additional lower band, for the calculation of the tax base for part of a billing authority’s area, for the calculation of the tax base for the purposes of a major precepting authority and for the determination by a major precepting authority of a billing authority’s tax base where the billing authority has failed to notify its tax base to the major precepting authority in the prescribed period.

Regulation 7 provides that for the financial year commencing 1 April 2004, the prescribed period within which the council tax base calculations must be carried out begins on 21 December 2003 and ends on 31 January 2004.