
STATUTORY INSTRUMENTS

2008 No. 3022

The Local Government (Structural
Changes) (Finance) Regulations 2008

PART 4

EQUALISATION OF COUNCIL TAX

CHAPTER 4

CALCULATION OF BASIC AMOUNT OF COUNCIL TAX:
PREDECESSOR AREAS OTHER THAN THE PRINCIPAL AREA

Calculation of basic amounts of council tax: calculation for predecessor area other than principal area

19.—(1) The appropriate authority's basic amount of council tax for a predecessor area other than the principal area must be calculated in accordance with—

- (a) regulation 20,
- (b) regulation 21, or
- (c) regulation 22.

(2) For at least one of the predecessor areas the appropriate authority must calculate its basic amount of council tax—

- (a) under regulation 20(2)(b);
- (b) under regulation 21 in such a way that the basic amount of council tax for the area is not more than the higher amount by an amount equal to the aggregate of the special items that relate to the area; or
- (c) under regulation 22 in such a way that the amount calculated by applying the formula in paragraph (6) of that regulation is less than the higher amount.

Calculation for predecessor area other than principal area: no special items relating to the area

20.—(1) This regulation applies in relation to a predecessor area other than the principal area if no special items relate to any part of that area.

(2) The basic amount of council tax for the area must be—

- (a) equal to the higher amount; or
- (b) (i) less than the higher amount, and
(ii) more than the lower amount for the area.

Calculation for predecessor area other than principal area: special items relating to the whole of the area

21.—(1) This regulation applies in relation to a predecessor area other than the principal area if one or more special items relate to the whole of that area.

- (2) The basic amount of council tax for the area—
- (a) must be more than the amount calculated by applying the formula in paragraph (3); and
 - (b) may be more than the higher amount, but only by an amount that is less than or equal to the aggregate of the special items that relate to the area.
- (3) The formula is—

$$LA + M$$

where—

- LA is the lower amount for the predecessor area; and
- M is the aggregate of the special items that relate to that area.

Calculation for predecessor area other than principal area: special items relating to part only of the area

22.—(1) This regulation applies in relation to a predecessor area other than the principal area if one or more special items relate to a part only of that area.

- (2) The authority must calculate different basic amounts of council tax—
- (a) for any part of the predecessor area to which no special items relate, and
 - (b) for any part of the area to which one or more special items relate.
- (3) The amount calculated under paragraph (2)(a) for a part of the predecessor area must be more than the lower amount for that part.
- (4) The amount calculated under paragraph (2)(b) for a part of the predecessor area must be more than the amount calculated by applying the formula—

$$LA + N$$

where—

- LA is the lower amount for the part; and
- N is the aggregate of the special items that relate to that part.

(5) The amount calculated by applying the formula in paragraph (6) must be less than or equal to the higher amount.

- (6) The formula is—

$$\frac{(P - Q)}{R}$$

where—

- P is the aggregate of the amounts calculated by applying the formula in paragraph (7);
- Q is the aggregate of the special items which relate to the predecessor area; and
- R is the amount calculated by the authority as its council tax base for the predecessor area.

- (7) The formula is—

$$S \times U$$

where—

S is the basic amount of council tax calculated by the authority under paragraph (2) for each part of the predecessor area; and

U is the amount calculated by the authority as its council tax base for that part.