

SCHEDULES

SCHEDULE 5

Section 72

NEW CHAPTER 4ZA OF PART 1 OF THE LOCAL GOVERNMENT FINANCE ACT 1992

This is the Chapter referred to in section 72(1)—

“CHAPTER 4ZA

REFERENDUMS RELATING TO COUNCIL TAX INCREASES

Interpretation of Chapter

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.

Determination of whether increase excessive

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.

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- (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.

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) 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, any principles determined for the year under consideration 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 the Secretary of State must take into account any information that the Secretary of State thinks is relevant.

52ZD Approval 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.
- (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—
 - (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 giving the Secretary of State's reasons for not doing so.
- (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 section 78A of the 1988 Act is approved by resolution of the House of Commons.

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.
- (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.
- (5) Section 52ZC above has effect, as regards the year under consideration and any authority to which the 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.

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Excessive increase in council tax by billing authority

52ZF Billing authority's duty to make substitute calculations

- (1) The billing authority must make substitute calculations for the financial year in compliance with this section; but those calculations do not have effect for the purposes of Chapter 3 above except in accordance with sections 52ZH and 52ZI below.
- (2) Substitute calculations for a financial year comply with this section if—
 - (a) they are made in accordance with sections 31A, 31B and 34 to 36 above, ignoring section 31A(11) above for this purpose,
 - (b) the relevant basic amount of council tax produced by applying section 52ZX below to the calculations is not excessive by reference to the principles determined by the Secretary of State under section 52ZC above for the year, and
 - (c) they are made in accordance with this section.
- (3) In making the substitute calculations, the authority must—
 - (a) use the amount determined in the previous calculation for the year under section 31A(3) above so far as relating to amounts which the authority estimates it will accrue in the year in respect of redistributed non-domestic rates, revenue support grant, additional grant, special grant or (in the case of the Common Council only) police grant, and
 - (b) use the amount determined in the previous calculation for the year for item T in section 31B(1) above and (where applicable) item TP in section 34(3) above.
- (4) For the purposes of subsection (2) above the authority may treat any amount determined in the previous calculation under section 31A(3) above as increased by the amount of any sum which—
 - (a) it estimates it will accrue in the year in respect of additional grant, and
 - (b) was not taken into account by it in making the previous calculation.

52ZG Arrangements for referendum

- (1) The billing authority must make arrangements to hold a referendum in relation to the authority's relevant basic amount of council tax for the financial year in accordance with this section.
- (2) Subject as follows, the referendum is to be held on a date decided by the billing authority.
- (3) That date must be not later than—
 - (a) the first Thursday in May in the financial year, or
 - (b) such other date in that year as the Secretary of State may specify by order.
- (4) An order under subsection (3) above must be made not later than—
 - (a) 1 February in the financial year preceding the year mentioned in paragraph (b) of that subsection, or
 - (b) in the case of an order affecting more than one financial year, 1 February in the financial year preceding the first of those years.
- (5) The persons entitled to vote in the referendum are those who, on the day of the referendum—

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- (a) would be entitled to vote as electors at an election for members for an electoral area of the billing authority, and
 - (b) are registered in the register of local government electors at an address within the billing authority's area.
- (6) In this section—
- “electoral area” means—
 - (a) where the billing authority is a district council, a London borough council or the Common Council of the City of London, a ward;
 - (b) where the billing authority is a county council, an electoral division;
 - (c) where the billing authority is the Council of the Isles of Scilly, a parish;
 - “register of local government electors” means the register of local government electors kept in accordance with the provisions of the Representation of the People Acts.
- (7) This section is subject to regulations under section 52ZQ below.

52ZH Effect of referendum

- (1) The billing authority must inform the Secretary of State of the result of the referendum.
- (2) Subsection (3) below applies if the result is that the billing authority's relevant basic amount of council tax for the financial year is approved by a majority of persons voting in the referendum.
- (3) The authority's calculations from which that amount was derived continue to have effect for that year for the purposes of this Act.
- (4) Subsection (5) below applies if the result is that the billing authority's relevant basic amount of council tax for the financial year is not approved by a majority of persons voting in the referendum.
- (5) The substitute calculations made in relation to the year under section 52ZF above have effect in relation to the authority and the financial year.

52ZI Failure to hold referendum

- (1) If the billing authority fails to hold a referendum in accordance with this Chapter, the substitute calculations made in relation to the year under section 52ZF above have effect in relation to the authority and the financial year.
- (2) If the authority has not made those substitute calculations, during the period of restriction the authority has no power to transfer any amount from its collection fund to its general fund; and sections 97 and 98 of the 1988 Act have effect accordingly.
- (3) In subsection (2) above “the period of restriction” means the period—
 - (a) beginning with the latest date on which the referendum could have been held, and
 - (b) ending with the date (if any) when the billing authority makes the substitute calculations.

Excessive increase in council tax by precepting authority

52ZJ Major precepting authority’s duty to make substitute calculations

- (1) The major precepting authority must make substitute calculations for the financial year in compliance with this section.
- (2) Substitute calculations made for a financial year by a major precepting authority other than the Greater London Authority comply with this section if—
 - (a) they are made in accordance with sections 42A, 42B and 45 to 48 above,
 - (b) the relevant basic amount of council tax for the year produced by the calculations is not excessive by reference to the principles determined by the Secretary of State under section 52ZC above for the year, and
 - (c) they are made in accordance with this section.
- (3) Substitute calculations made for a financial year by the Greater London Authority comply with this section if—
 - (a) they are made by applying the relevant London provisions and sections 47 and 48 above to the Authority’s substitute consolidated council tax requirement for the year, and
 - (b) they are made in accordance with this section.
- (4) In making the substitute calculations, a major precepting authority other than the Greater London Authority must—
 - (a) use the amount determined in the previous calculation under section 42A(3) above so far as relating to amounts which the authority estimates it will accrue in the year in respect of redistributed non-domestic rates, revenue support grant, additional grant, special grant or police grant, and
 - (b) use the amount determined in the previous calculation for item T in section 42B(1) above or (where applicable) item TP in section 45(3) above.
- (5) For the purposes of subsection (2) above the authority may treat any amount determined in the previous calculation under section 42A(3) above as increased by the amount of any sum which—
 - (a) it estimates it will accrue in the year in respect of additional grant, and
 - (b) was not taken into account by it in making the previous calculation.
- (6) In making the substitute calculations, the Greater London Authority must use any amount determined in the previous calculations for item T in section 88(2) of the Greater London Authority Act 1999 or for item TP2 in section 89(4) of that Act.
- (7) In this Chapter—

“the relevant London provisions” means sections 88 and (where applicable) 89 of the Greater London Authority Act 1999;

“the Authority’s substitute consolidated council tax requirement”, in relation to a financial year, means the Authority’s substitute consolidated council tax requirement—

 - (a) agreed under Schedule 6 to the Greater London Authority Act 1999, or
 - (b) set out in its substitute consolidated budget as agreed under that Schedule, as the case may be.

52ZK Major precepting authority's duty to notify appropriate billing authorities

- (1) The major precepting authority must notify each appropriate billing authority—
 - (a) that its relevant basic amount of council tax for a financial year is excessive, and
 - (b) that the billing authority is required to hold a referendum in accordance with this Chapter.
- (2) A notification under this section must include a precept in accordance with the following provisions; but that precept does not have effect for the purposes of Chapters 3 and 4 above except in accordance with sections 52ZO and 52ZP below.
- (3) A precept issued to a billing authority under this section by a major precepting authority other than the Greater London Authority must state—
 - (a) the amount which, in relation to the year and each category of dwellings in the billing authority's area, has been calculated by the precepting authority in accordance with sections 42A, 42B and 45 to 47 above as applied by section 52ZJ above, and
 - (b) the amount which has been calculated by the precepting authority in accordance with section 48 above as applied by section 52ZJ above as the amount payable by the billing authority for the year.
- (4) Dwellings fall within different categories for the purposes of subsection (3) above according as different calculations have been made in relation to them as mentioned in paragraph (a) of that subsection.
- (5) A precept issued to a billing authority under this section by the Greater London Authority must state—
 - (a) the amount which, in relation to the year and each category of dwellings in the billing authority's area, has been calculated by applying, in accordance with section 52ZJ above, the relevant London provisions and section 47 above to the Authority's substitute consolidated council tax requirement, and
 - (b) the amount which has been calculated by the Authority in accordance with section 48 above as applied by section 52ZJ above as the amount payable by the billing authority for the year.
- (6) Dwellings fall within different categories for the purposes of subsection (5) above according as different calculations have been made in relation to them as mentioned in paragraph (a) of that subsection.
- (7) A major precepting authority must assume for the purposes of subsections (3) and (5) above that each of the valuation bands is shown in the billing authority's valuation list as applicable to one or more dwellings situated in its area or (as the case may be) each part of its area as respects which different calculations have been made.
- (8) The Secretary of State must by regulations prescribe a date by which a notification under this section must be made.
- (9) This section does not require the Greater London Authority to notify a billing authority to which this subsection applies unless the Authority's unadjusted relevant basic amount of council tax for the year is excessive.
- (10) Subsection (9) above applies to a billing authority if the special item within the meaning of section 89(2) of the Greater London Authority Act 1999 does not apply to any part of the authority's area.

52ZL Local precepting authority's duty to make substitute calculations

- (1) The local precepting authority must make substitute calculations for the financial year in compliance with this section.
- (2) Substitute calculations for a financial year comply with this section if—
 - (a) they are made in accordance with section 49A above, and
 - (b) the relevant basic amount of council tax produced by applying section 52ZX below to the calculations is not excessive by reference to the principles determined by the Secretary of State under section 52ZC above for the year.

52ZM Local precepting authority's duty to notify appropriate billing authority

- (1) The local precepting authority must notify its appropriate billing authority—
 - (a) that its relevant basic amount of council tax for a financial year is excessive, and
 - (b) that the billing authority is required to hold a referendum in accordance with this Chapter.
- (2) A notification under this section must include a precept in accordance with subsection (3) below; but that precept does not have effect for the purposes of Chapters 3 and 4 above except in accordance with sections 52ZO and 52ZP below.
- (3) The precept must state, as the amount payable by the billing authority for the year, the amount which has been calculated by the local precepting authority under section 49A above as applied by section 52ZL above.
- (4) The Secretary of State must by regulations prescribe a date by which the notification must be made.

52ZN Arrangements for referendum

- (1) A billing authority that is notified under section 52ZK or 52ZM above must make arrangements to hold a referendum in relation to the precepting authority's relevant basic amount of council tax for the financial year in accordance with this section.
- (2) Where the referendum is one of two or more referendums required to be held in respect of the same calculation, it is to be held on—
 - (a) the first Thursday in May in the financial year, or
 - (b) such other date as the Secretary of State may specify by order.
- (3) Otherwise the referendum is to be held on a date decided by the billing authority; but this is subject to subsection (4) below.
- (4) That date must be not later than—
 - (a) the first Thursday in May in the financial year, or
 - (b) such other date in that year as the Secretary of State may specify by order.
- (5) An order under subsection (2) or (4) above must be made not later than—
 - (a) 1 February in the financial year preceding the year mentioned in paragraph (b) of that subsection, or
 - (b) in the case of an order affecting more than one financial year, 1 February in the financial year preceding the first of those years.
- (6) The persons entitled to vote in the referendum are those who, on the day of the referendum—

- (a) would be entitled to vote as electors at an election for members for an electoral area of the billing authority that falls wholly or partly within the precepting authority's area, and
 - (b) are registered in the register of local government electors at an address that is within both—
 - (i) the precepting authority's area, and
 - (ii) the billing authority's area.
- (7) Subject to subsection (8) below, the billing authority may recover from the precepting authority the expenses that are incurred by the billing authority in connection with the referendum.
- (8) The Secretary of State may by regulations make provision for cases in which—
- (a) subsection (7) above does not apply, or
 - (b) that subsection applies with modifications.
- (9) In this section—
- “electoral area” means—
- (a) in relation to a district council, a London borough council or the Common Council of the City of London, a ward;
 - (b) in relation to a county council, an electoral division;
 - (c) in relation to the Council of the Isles of Scilly, a parish;
- “register of local government electors” means the register of local government electors kept in accordance with the provisions of the Representation of the People Acts.
- (10) This section is subject to regulations under section 52ZQ below.

52ZO Effect of referendum

- (1) The precepting authority must inform the Secretary of State of the result of the referendum or (as the case may be) each of them.
- (2) Subsection (3) below applies if—
- (a) in a case where one referendum is held in respect of the precepting authority's relevant basic amount of council tax for the financial year, that amount is approved by a majority of persons voting in the referendum, or
 - (b) in a case where two or more referendums are held in respect of that amount, that amount is approved by a majority of persons voting in all of those referendums taken together.
- (3) The precepting authority's calculations that include that amount or (as the case may be) from which that amount was derived continue to have effect for the year for the purposes of this Act.
- (4) Subsections (5) and (6) below apply if—
- (a) in a case where one referendum is held in respect of the precepting authority's relevant basic amount of council tax for a financial year, that amount is not approved by a majority of persons voting in the referendum, or
 - (b) in a case where two or more referendums are held in respect of that amount, that amount is not approved by a majority of persons voting in all of those referendums taken together.

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- (5) Any precept issued to a billing authority under section 52ZK or 52ZM above as part of a notification that triggered the referendum has effect as a precept issued to that billing authority for the year for the purposes of Chapter 3 above.
- (6) Where the precept was issued to a billing authority by a local precepting authority under section 52ZM above, section 36A above has effect in relation to the billing authority as if it required the authority to make calculations in substitution on the basis of the precept (rather than permitting it to do so).
- (7) In the case of a major precepting authority other than the Greater London Authority, section 30 above has effect by virtue of subsection (5) above in relation to that precept as if—
 - (a) references to amounts calculated under Chapter 4 above were to amounts calculated as mentioned in section 52ZJ(2) above, and
 - (b) the reference to the amount stated in accordance with section 40 above were to the amount stated in accordance with section 52ZK(3)(b) above.
- (8) In the case of the Greater London Authority, section 30 above has effect by virtue of subsection (5) above in relation to that precept as if—
 - (a) references that are to be read as amounts calculated under Chapter 1 of Part 3 of the Greater London Authority Act 1999 were to amounts calculated as mentioned in section 52ZJ(3) above, and
 - (b) the reference to the amount stated in accordance with section 40 above were to the amount stated in accordance with 52ZK(5)(b) above.
- (9) If the precepting authority has already issued a precept for the financial year (originally or by way of substitute) to the billing authority—
 - (a) subsections (3) and (4) of section 42 above apply to the precept within subsection (5) above as they apply to a precept issued in substitution under that section, but
 - (b) the references in those subsections to the amount of the new precept are to be read as references to the amount stated in the precept within subsection (5) above in accordance with section 52ZK(3)(b) or (5)(b) above.

52ZP Failure to hold referendum

- (1) This section applies if a billing authority that is required to be notified by a precepting authority under section 52ZK or 52ZM above fails to hold a referendum in accordance with this Chapter.
- (2) Subsections (3) to (6) below apply if the precepting authority has failed to notify the billing authority in accordance with section 52ZK or 52ZM above.
- (3) The precepting authority must issue a precept for the year to the billing authority in accordance with that section; and such a precept has effect for the purposes of Chapter 3 above.
- (4) During the period of restriction no billing authority to which the precepting authority has power to issue a precept has power to pay anything in respect of a precept issued by the precepting authority for the year.
- (5) In subsection (4) above “the period of restriction” means the period—

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- (a) beginning with the date on which the referendum would have been required to be held or (as the case may be) the latest date on which it could have been held if the notification had been made, and
 - (b) ending with the date (if any) when the precepting authority complies with subsection (3) above.
- (6) Where a precept under subsection (3) above is issued to a billing authority by a local precepting authority, section 36A above has effect in relation to the billing authority as if it required the authority to make calculations in substitution on the basis of the precept (rather than permitting it to do so).
- (7) If the precepting authority has notified the billing authority in accordance with section 52ZK or 52ZM above, the precept issued to the billing authority under section 52ZK or 52ZM above as part of the notification has effect as a precept issued to that billing authority for the year for the purposes of Chapter 3 above.
- (8) Where the precept was issued to a billing authority by a local precepting authority under section 52ZM above, section 36A above has effect in relation to the billing authority as if it required the authority to make calculations in substitution on the basis of the precept (rather than permitting it to do so).
- (9) Subsections (7) to (9) of section 52ZO above apply to a precept within subsection (3) or (7) above as they apply to a precept within subsection (5) of that section.

Regulations about referendums

52ZQ Regulations about referendums

- (1) The Secretary of State may by regulations make provision as to the conduct of referendums under this Chapter.
- (2) The Secretary of State may by regulations make provision for—
 - (a) the combination of polls at two or more referendums under this Chapter;
 - (b) the combination of polls at referendums under this Chapter with polls at any elections or any referendums held otherwise than under this Chapter.
- (3) Regulations under this section may apply or incorporate, with or without modifications or exceptions, any provision of any enactment (whenever passed or made) relating to elections or referendums.
- (4) The provision which may be made under this section includes, in particular, provision—
 - (a) as to the question to be asked in a referendum;
 - (b) as to the publicity to be given in connection with a referendum (including the publicity to be given with respect to the consequences of the referendum and its result);
 - (c) about the limitation of expenditure in connection with a referendum;
 - (d) as to the conduct of the authority, members of the authority and officers of the authority in relation to a referendum (including provision modifying the effect of section 2 (prohibition of political publicity) of the Local Government Act 1986);
 - (e) as to when, where and how voting in a referendum is to take place;
 - (f) as to how the votes cast in a referendum are to be counted;
 - (g) for disregarding alterations in a register of electors;

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- (h) for the questioning of the result of a referendum by a court or tribunal.
- (5) But where the regulations apply or incorporate (with or without modifications) any provision that creates an offence, the regulations may not impose a penalty greater than is provided for in respect of that offence.
- (6) Before making any regulations under this section, the Secretary of State must consult the Electoral Commission.
- (7) No regulations under this section are to be made unless a draft of the regulations has been laid before and approved by resolution of each House of Parliament.
- (8) In this section “enactment” includes an enactment contained in a local Act or comprised in subordinate legislation (within the meaning of the Interpretation Act 1978).

Directions that referendum provisions are not to apply

52ZR Direction that referendum provisions are not to apply

- (1) The Secretary of State may give a direction under this section to an authority other than the Greater London Authority if it appears to the Secretary of State that, unless the authority’s council tax calculations are such as to produce a relevant basic amount of council tax that is excessive by reference to the principles determined by the Secretary of State for the year—
 - (a) the authority will be unable to discharge its functions in an effective manner, or
 - (b) the authority will be unable to meet its financial obligations.
- (2) The Secretary of State may give a direction under this section to the Greater London Authority if it appears to the Secretary of State that, unless the Authority’s council tax calculations are such as to produce a relevant basic amount of council tax that is excessive by reference to the principles determined by the Secretary of State for the year—
 - (a) one or more of the Authority’s constituent bodies will be unable to discharge its functions in an effective manner, or
 - (b) one or more of those bodies will be unable to meet its financial obligations.
- (3) The effect of a direction under this section is that the referendum provisions do not apply for the financial year to, and no further step is to be taken for the financial year under the referendum provisions by—
 - (a) the authority to whom it is made, and
 - (b) where that authority is a precepting authority, a billing authority as a result of any notification under section 52ZK or 52ZM above by the precepting authority.
- (4) A direction under this section may be given to an authority other than the Greater London Authority—
 - (a) whether or not the authority has carried out its council tax calculations for the financial year, and
 - (b) in the case of a billing authority, whether or not the authority has set an amount of council tax for the financial year under section 30 above.
- (5) A direction under this section may be given to the Greater London Authority only if it has carried out its council tax calculations for the financial year.

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- (6) But a direction under this section may not be given to an authority if—
- (a) a referendum has been held relating to the authority’s relevant basic amount of council tax for the financial year, and
 - (b) that amount has not been approved as mentioned in section 52ZH above (where the authority is a billing authority) or section 52ZO above (where the authority is a precepting authority).
- (7) The following sections make further provision about the effect of a direction under this section—
- (a) for a billing authority: section 52ZS below;
 - (b) for a major precepting authority other than the Greater London Authority: section 52ZT below;
 - (c) for the Greater London Authority: section 52ZU below;
 - (d) for a local precepting authority: section 52ZV below.
- (8) In this Part—
- “constituent body” means—
- (a) the Mayor of London,
 - (b) the London Assembly, or
 - (c) a functional body within the meaning of section 424 of the Greater London Authority Act 1999;
- “council tax calculations” means—
- (a) in relation to a billing authority, calculations under sections 31A, 31B and 34 to 36 above,
 - (b) in relation to a major precepting authority other than the Greater London Authority, calculations under sections 42A, 42B and 45 to 48 above,
 - (c) in relation to the Greater London Authority, calculations under sections 85 to 90 of the Greater London Authority Act 1999 and sections 47 and 48 above, and
 - (d) in the case of a local precepting authority, calculations under section 49A above;
- “the referendum provisions” means—
- (a) where the direction is given to a billing authority, sections 52ZB and 52ZF to 52ZI above,
 - (b) where the direction is given to a major precepting authority, sections 52ZB, 52ZJ, 52ZK and 52ZN to 52ZP above, and
 - (c) where the direction is given to a local precepting authority, sections 52ZB and 52ZL to 52ZP above.

52ZS Directions to billing authorities

- (1) This section applies if the Secretary of State gives a direction under section 52ZR above to a billing authority.
- (2) The direction must state the amount that is to be the amount of the billing authority’s council tax requirement for the financial year.
- (3) If the direction is given before the billing authority has carried out its council tax calculations for the financial year, that amount is to be treated for all purposes as the amount calculated by the billing authority under section 31A above.

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- (4) If the direction is given after the billing authority has carried out its council tax calculations for the financial year (whether or not it has set an amount of council tax for the year)—
 - (a) those calculations are of no effect, and
 - (b) the authority must make substitute calculations for the year in accordance with section 36A above.
- (5) For the purposes of those and any subsequent substitute calculations and the application of Chapter 3 above to them—
 - (a) the amount stated in the direction as the amount of the billing authority's council tax requirement for the financial year is to be treated as the amount calculated by the billing authority under section 31A above, and
 - (b) subsections (2)(a) and (4) of section 36A above are to be ignored.

52ZT Directions to major precepting authorities

- (1) This section applies if the Secretary of State gives a direction under section 52ZR above to a major precepting authority other than the Greater London Authority.
- (2) The direction must state the amount that is to be the amount of the major precepting authority's council tax requirement for the financial year.
- (3) If the direction is given before the major precepting authority has carried out its council tax calculations for the financial year, that amount is to be treated for all purposes as the amount calculated by the major precepting authority under section 42A above.
- (4) If the direction is given after the major precepting authority has carried out its council tax calculations for the financial year (whether or not it has issued a precept for the year)—
 - (a) those calculations are of no effect, and
 - (b) the authority must make substitute calculations for the year in accordance with section 49 above.
- (5) For the purposes of those and any subsequent substitute calculations and the application of Chapters 3 and 4 above to them—
 - (a) the amount stated in the direction as the amount of the major precepting authority's council tax requirement for the financial year is to be treated as the amount calculated by the billing authority under section 42A above, and
 - (b) subsection (2)(za) of section 49 above is to be ignored.

52ZU Directions to the Greater London Authority

- (1) This section applies if the Secretary of State gives a direction under section 52ZR above to the Greater London Authority.
- (2) The direction must specify the amount that is to be the component council tax requirement for the relevant constituent body for the year.
- (3) The Greater London Authority must make calculations in substitution in relation to the financial year under subsections (4) to (7) of section 85 of the Greater London Authority Act 1999 in relation to—
 - (a) the relevant constituent body alone, or
 - (b) the relevant constituent body and one or more other constituent bodies.

- (4) Subsection (5) below applies if the result of the substitute calculations is such that—
- (a) there is an increase in the Greater London Authority’s consolidated council tax requirement for the year, or
 - (b) there is no such increase, but the results of the calculations in substitution made in accordance with sections 85, 86 and 88 to 90 of and Schedule 7 to the Greater London Authority Act 1999 and sections 47 and 48 above would be different from the last relevant calculations in relation to the year.
- (5) The Greater London Authority must make calculations in substitution in accordance with the provisions mentioned in subsection (4)(b) above.
- (6) In subsection (4)(b) above “the last relevant calculations” means the last calculations made by the Greater London Authority in relation to the financial year in accordance with—
- (a) sections 85 to 90 of the Greater London Authority Act 1999 and sections 47 and 48 above, or
 - (b) sections 85, 86 and 88 to 90 of and Schedule 7 to that Act and sections 47 and 48 above.
- (7) None of the substitute calculations is to have any effect if—
- (a) the amount calculated under section 85(6) or (7) of the Greater London Authority Act 1999 for the relevant constituent body is not in compliance with the direction,
 - (b) there is an increase in the Greater London Authority’s consolidated council tax requirement for the financial year (as last calculated) which exceeds the increase required to be made to the component council tax requirement for the relevant constituent body (as last calculated for the year) to comply with the direction, or
 - (c) in making the calculations under section 88(2) or 89(3) of that Act, the Authority fails to comply with subsection (8) below.
- (8) In making substitute calculations under section 88(2) or 89(3) of the Greater London Authority Act 1999 the Greater London Authority must use any amount determined in the previous calculations for item T in section 88(2) of that Act or for item TP2 in section 89(4) of that Act.
- (9) Subsections (7)(c) and (8) above do not apply if the previous calculations have been quashed because of a failure to comply with the appropriate Greater London provisions in making the calculations.
- (10) For the purposes of subsection (9) above “the appropriate Greater London provisions” means—
- (a) in the case of calculations required to be made in accordance with sections 85 to 90 of the Greater London Authority Act 1999 and sections 47 and 48 above, those provisions, and
 - (b) in the case of calculations required to be made in accordance with sections 85, 86 and 88 to 90 of and Schedule 7 to that Act and sections 47 and 48 above, those provisions.
- (11) Any substitute calculations under this section are to be made in accordance with Schedule 7 to the Greater London Authority Act 1999.
- (12) In this Part—

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“component council tax requirement” has the meaning given by section 85(6) of the Greater London Authority Act 1999;

“consolidated council tax requirement” has the meaning given by section 85(8) of the Greater London Authority Act 1999;

“the relevant constituent body”, in relation to a direction under section 52ZR above, means the constituent body by reference to which the direction was given (or, if there is more than one such body, each of them).

52ZV Directions to local precepting authorities

- (1) This section applies if the Secretary of State gives a direction under section 52ZR above to a local precepting authority.
- (2) The direction must state the amount that is to be the amount of the local precepting authority’s council tax requirement for the financial year.
- (3) That amount is to be treated for all purposes as the amount calculated by the local precepting authority under section 49A above.
- (4) If the direction is given after the local precepting authority has issued a precept for the financial year, that amount is to be treated for all purposes as an amount calculated by the authority in substitution in relation to the year in accordance with that section (so that, in particular, section 42 above applies accordingly).

52ZW Further provisions about directions

- (1) An authority that is required to make substitute calculations for a financial year by virtue of any of sections 52ZS to 52ZU above—
 - (a) must make the calculations, and
 - (b) in the case of a major precepting authority, must issue any precepts in substitution required in consequence under section 42 above, before the end of the period mentioned in subsection (3) below.
- (2) A local precepting authority to which section 52ZV(4) above applies must issue any precepts in substitution required in consequence under section 42 above before the end of the period mentioned in subsection (3) below.
- (3) That period is—
 - (a) the period of 35 days beginning with the day on which the authority receives the direction (where it is the Greater London Authority), or
 - (b) the period of 21 days beginning with the day on which the authority receives the direction (in any other case).
- (4) In the case of a billing authority, the authority has no power during the period of restriction to transfer any amount from its collection fund to its general fund; and sections 97 and 98 of the 1988 Act have effect accordingly.
- (5) In the case of a precepting authority, no authority to which it has power to issue a precept has power during the period of restriction to pay anything in respect of a precept issued by the precepting authority for the financial year.
- (6) For the purposes of subsections (4) and (5) above “the period of restriction” is the period—
 - (a) beginning at the end of the period mentioned in subsection (3) above, and

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- (b) ending at the time (if any) when the authority complies with subsection (1) or (2) above (as the case may be).
- (7) The following provisions of this section apply to substitute calculations by the Greater London Authority other than those made pursuant to section 52ZU above.
- (8) Subject to variation or revocation, a direction under section 52ZR above has effect in relation to any substitute calculations made under any enactment by the Greater London Authority—
 - (a) in accordance with sections 85, 86 and 88 to 90 of and Schedule 7 to the Greater London Authority Act 1999 and sections 47 and 48 above,
 - (b) in relation to the financial year to which the direction relates, and
 - (c) at any time after the direction is given.
- (9) Where a direction under section 52ZR above has effect in relation to any substitute calculations by virtue of subsection (8) above, none of the calculations have effect if the amount calculated under section 85(6) of the Greater London Authority Act 1999 for the relevant constituent body is not in compliance with the direction.

Meaning of basic amount of council tax

52ZX Meaning of relevant basic amount of council tax

- (1) Any reference in this Chapter to a billing authority's relevant basic amount of council tax for a financial year is a reference to the amount that would be calculated by it in relation to the year under section 31B(1) above if section 31A above did not require or permit it to take into account—
 - (a) the amount of any precepts—
 - (i) issued to it for the year by local precepting authorities, or
 - (ii) anticipated by it in pursuance of regulations under section 41 above, or
 - (b) the amount of any levies and special levies—
 - (i) issued to it for the year, or
 - (ii) anticipated by it in pursuance of regulations under section 74 or 75 of the 1988 Act.
- (2) In the case of a major precepting authority other than a county council or the Greater London Authority, any reference in this Chapter to the authority's relevant basic amount of council tax for a financial year is a reference to the amount calculated by it in relation to the year under section 42B(1) above.
- (3) In the case of a major precepting authority that is a county council, any reference in this Chapter to the authority's relevant basic amount of council tax for a financial year is a reference to the amount that would be calculated by it in relation to the year under section 42B(1) above if section 42A above did not require or permit it to take into account the amount of any levies—
 - (a) issued to it for the year, or
 - (b) anticipated by it in pursuance of regulations under section 74 of the 1988 Act.
- (4) In the case of a major precepting authority that is the Greater London Authority, any reference in this Chapter to the authority's relevant basic amount of council tax for a financial year is a reference to—

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- (a) the amount (referred to in this Chapter as the Greater London Authority’s unadjusted relevant basic amount of council tax for the year) that would be calculated by it under section 88(2) of the Greater London Authority Act 1999 if sections 85 and 86 of that Act did not require or permit it—
 - (i) to take into account the amount of any levies issued to a constituent body for the year, or
 - (ii) to anticipate, in pursuance of regulations under section 74 of the 1988 Act, the issue of levies to a constituent body, or
 - (b) any amount (referred to in this Chapter as the Greater London Authority’s adjusted relevant basic amount of council tax for the year) that would be calculated by it under section 89(3) of the Greater London Authority Act 1999 if sections 85 and 86 of that Act did not require or permit it—
 - (i) to take into account the amount of any levies issued to a constituent body for the year, or
 - (ii) to anticipate, in pursuance of regulations under section 74 of the 1988 Act, the issue of levies to a constituent body.
- (5) Any reference in this Chapter to a local precepting authority’s relevant basic amount of council tax for a financial year is a reference to the amount found by applying the formula—

$$\frac{R}{T}$$

where—

R is the amount calculated by the authority under section 49A(4) above as its council tax requirement for the year;

T is the amount which is calculated by the billing authority to which the authority issues precepts (“the billing authority concerned”) as its council tax base for the year for the part of its area comprising the authority’s area and is notified by it to the authority within the prescribed period.

- (6) Where the aggregate calculated by the authority for the year under subsection (2) of section 49A above does not exceed that so calculated under subsection (3) of that section, the amount for item R in subsection (5) above is to be nil.
- (7) The Secretary of State must make regulations containing rules for making for any year the calculation required by item T in subsection (5) above; and the billing authority concerned must make the calculations for any year in accordance with the rules for the time being effective (as regards the year) under the regulations.
- (8) Regulations prescribing a period for the purposes of item T in subsection (5) above may provide that, in any case where a billing authority fails to notify its calculation to the precepting authority concerned within that period, that item must be determined in the prescribed manner by such authority or authorities as may be prescribed.
- (9) In the application of this section any calculation for which another has been substituted is to be disregarded.

52ZY Information for purposes of Chapter 4ZA

- (1) The Secretary of State may serve on an authority a notice requiring it to supply to the Secretary of State such information as is specified in the notice and required for the purposes of the performance of the Secretary of State’s functions under this Chapter.

- (2) The authority must supply the information required if it is in its possession or control, and must do so in such form and manner and at such time as the Secretary of State specifies in the notice.
- (3) If an authority fails to comply with subsection (2) above, the Secretary of State may exercise the Secretary of State's functions on the basis of such assumptions and estimates as the Secretary of State thinks fit.
- (4) In exercising those functions, the Secretary of State may also take into account any other available information, whatever its source and whether or not obtained under a provision contained in or made under this or any other Act."