

## SCHEDULE 2

### RULES FOR ESTIMATION AND APPORTIONMENT OF SURPLUSES AND DEFICITS

#### PART II

##### APPORTIONMENT OF SURPLUSES AND DEFICITS

6.—(1) A billing authority shall calculate in accordance with this Part of this Schedule as regards each financial year beginning in or after 1994 how the surplus or deficit estimated in accordance with Part I of this Schedule for the preceding financial year (“the year”) is to be shared among or borne between the authority and its relevant major precepting authorities.

(2) The amount of any surplus which is to be the billing authority’s share or of any deficit which is to be borne by that authority for the year shall be calculated by applying the formula—

$$A \times \frac{B}{B+C}$$

where, subject to sub-paragraph (3),—

A is the amount of the surplus or deficit, as the case may be, estimated by the authority under paragraph 2 of Part I of this Schedule for the year,

B is the amount calculated (or last calculated) by the authority under section 97(1) of the 1988 Act for the year,

C is the aggregate of the amounts stated by any relevant major precepting authorities in precepts issued (or last issued) to the authority for the year under section 40(2)(b) of the 1992 Act.

(3) Where the amount last calculated by a billing authority under section 97(1) of the 1988 Act is a negative amount B shall be nil.

(4) The amount of any surplus which is to be a relevant major precepting authority’s share or of any deficit which is to be borne by that authority for the year shall be calculated by applying the formula—

$$A \times \frac{D}{B+C}$$

where—

A, B and C have the same meanings as in sub-paragraphs (2) and (3),

D is the amount stated by that precepting authority in a precept issued (or last issued) to a billing authority for the year under section 40(2)(b) of the 1992 Act.