

## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order relates to Wales. The Local Government (Wales) Act 1994 makes provision for local government reorganisation in Wales. The new authorities' first year ("the first year") will begin on 1st April 1996. This Order makes supplementary provision relating to council tax reduction and council tax grant.

Article 2 modifies, in relation to the first year, section 13 of the Local Government Finance Act 1992 ("the 1992 Act") which empowers the Secretary of State to make regulations for council tax reduction. Article 2 also amends section 32 of the 1992 Act so that council tax grant is not counted as income for the purpose of an authority's budget requirement calculation.