

## **Accounting for council tax support grant in a council's Annual Return (England & Wales)**

As the financial year end approaches, please note that the council tax support grant should be accounted for separately from the council's precept. Although many principal authorities usually pay the council tax support grant at the same time as they pay the precept instalments (albeit referenced separately), it **does not form part of the precept**. In statutory terms, the precept constitutes a council's formal demand for payment of a fixed sum that it has decided, although such figure may have been determined by the council after ascertaining the income it would receive from the council tax support grant.

The council tax support grant should therefore be accounted for in exactly the same way as any other grant from any source, and included in Box 3 of the Annual Return as Other Income, **not** in Box 2 (Precept). This provision applies equally to England and Wales.

**This briefing was issued by Derek Kemp, NALC's Audit and Accounts Advisor**

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