

SCHEDULES

SCHEDULE 10

Section 104.

LOCAL GOVERNMENT FINANCE: ENGLAND AND WALES

PART I

NON-DOMESTIC RATING

Alteration of lists

- 1 In section 55 of the 1988 Act (alteration of lists), in subsection (7), for paragraphs (a) and (b) there shall be substituted the following paragraph—
- “(a) provision requiring payments or repayments to be made, with or without interest, and”.

Multiple moorings

- 2 (1) In section 64 of the 1988 Act (hereditaments), after subsection (3) there shall be inserted the following subsections—
- “(3A) The Secretary of State may make regulations providing that where on any land there are two or more moorings which—
- (a) are owned by the same person,
 - (b) are not domestic property, and
 - (c) are separately occupied, or available for separate occupation, by persons other than that person,
- a valuation officer may determine that, for the purposes of the compilation or alteration of a local non-domestic rating list, all or any of the moorings, or all or any of them together with any adjacent moorings or land owned and occupied by that person, shall be treated as one hereditament.
- (3B) Regulations under subsection (3A) above may provide that—
- (a) where a valuation officer makes a determination as mentioned in that subsection, he shall, if prescribed conditions are fulfilled, supply prescribed persons with prescribed information;
 - (b) while such a determination is in force—
 - (i) the person who on any day is the owner of the moorings (or the moorings and land) which constitute the hereditament shall be treated for the purposes of sections 43, 44A and 45 above as being in occupation of all of the hereditament on that day; and
 - (ii) no other person shall be treated for those purposes as being in occupation of all or any part of the hereditament on that day.”

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(2) After subsection (11) of that section there shall be inserted the following subsection—

“(12) In subsections (3A) and (3B) above “owner”, in relation to a mooring, means the person who (if the mooring is let) is entitled to receive rent, whether on his own account or as agent or trustee for any other person, or (if the mooring is not let) would be so entitled if the mooring were let, and “owned” shall be construed accordingly.”

Places of religious worship etc.

3 In Schedule 5 to the 1988 Act (non-domestic rating: exemption), in paragraph 11, for sub-paragraph (2) there shall be substituted the following sub-paragraphs—

“(2) A hereditament is exempt to the extent that it is occupied by an organisation responsible for the conduct of public religious worship in a place falling within sub-paragraph (1)(a) above and—

- (a) is used for carrying out administrative or other activities relating to the organisation of the conduct of public religious worship in such a place; or
- (b) is used as an office or for office purposes, or for purposes ancillary to its use as an office or for office purposes.

(3) In this paragraph “office purposes” include administration, clerical work and handling money; and “clerical work” includes writing, book-keeping, sorting papers or information, filing, typing, duplicating, calculating (by whatever means), drawing and the editorial preparation of matter for publication.”

Valuation

4 In Schedule 6 to the 1988 Act (non-domestic rating: valuation), in paragraph 2, for sub-paragraph (6A) there shall be substituted the following sub-paragraph—

“(6A) For the purposes of sub-paragraph (6) above the material day shall be such day as is determined in accordance with rules prescribed by regulations made by the Secretary of State.”

Special authorities' multipliers

5 In Part II of Schedule 7 to the 1988 Act (non-domestic rating: special authorities' multipliers), in paragraph 9, for sub-paragraphs (3) and (4) there shall be substituted the following sub-paragraphs—

“(3) The multiplier must be not greater than the required maximum for the year.

(4) The required maximum for the year shall be calculated in accordance with the formula—

$$A + \frac{B(C - D)}{E \times F}$$

where—

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A is the non-domestic rating multiplier for the year determined in accordance with Part I of this Schedule,

B is a percentage prescribed for the year by order made by the Secretary of State,

C is the amount calculated (or last calculated) for the year by the authority under section 32(4) of the Local Government Finance Act 1992,

D is an amount determined by the Secretary of State for the year and notified by him to the authority before 1 March in the preceding financial year,

E is the total of the rateable values shown in the authority's local non-domestic rating list on 31 December in the preceding financial year, and

F is a factor determined by the Secretary of State for the year and notified by him to the authority before 1 March in the preceding financial year.

- (5) An order under sub-paragraph (4) above in its application to a particular financial year (including an order amending or revoking another) shall not be effective unless it comes into force before 1 March in the preceding financial year.”

Contributions

- 6 (1) Part II of Schedule 8 to the 1988 Act (non-domestic rating contributions) shall be amended as follows.
- (2) In sub-paragraph (1) of paragraph 4, for the words “charging authority” there shall be substituted the words “billing authority”.
- (3) In sub-paragraph (3)(a) of that paragraph, for the words “required minimum for the year” there shall be substituted the words “non-domestic rating multiplier for the year determined in accordance with Part I of Schedule 7 above”.
- (4) Sub-paragraph (4) of that paragraph shall cease to have effect.
- (5) After sub-paragraph (5) of that paragraph there shall be inserted the following sub-paragraph—
- “(5A) The Secretary of State may also incorporate in the rules provision for the deduction, in the case of a special authority, of an amount determined by him for the year in relation to that authority; and sub-paragraph (3) above shall have effect subject to this.”
- (6) In sub-paragraph (2) of paragraph 5, for the words “charging authority” there shall be substituted the words “billing authority”.
- (7) In sub-paragraph (6) of that paragraph, for paragraphs (b) and (c) there shall be substituted the following paragraphs—
- “(b) notify the amount so calculated to the Secretary of State, and
- (c) arrange for the calculation and the amount to be certified under arrangements made by the Audit Commission for Local Authorities in England and Wales (the Commission).”

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- (8) After that sub-paragraph there shall be inserted the following sub-paragraph—
- “(6A) The Commission shall send a copy of the certification of the calculation and the amount to the Secretary of State.”
- (9) In sub-paragraphs (8) and (9) of that paragraph, for the words “sub-paragraph (6)(c) above” there shall be substituted the words “sub-paragraph (6)(b) above”.
- (10) For sub-paragraph (10) of that paragraph there shall be substituted the following sub-paragraphs—
- “(10) If the amount notified under sub-paragraph (6)(b) above is less than the provisional amount, the Secretary of State shall—
- (a) if he believes that the amount so notified is not likely to have been calculated in accordance with the regulations under paragraph 4 above, inform the authority of his reasons for that belief;
 - (b) if he is not of that belief, pay to the authority, at such time as he decides with the Treasury’s approval, an amount equal to the difference between the amount so notified and the provisional amount.
- (11) Sub-paragraph (12) below applies where—
- (a) at any time after the year ends the Secretary of State has received both a notification from an authority under sub-paragraph (6)(b) above and a copy of a certification sent to him in relation to the authority under sub-paragraph (6A) above, and
 - (b) the amount which is certified by the certification to be the authority’s non-domestic rating contribution for the year (the certified amount) is different from the amount notified to the Secretary of State under sub-paragraph (6)(b) above.
- (12) Where this sub-paragraph applies the Secretary of State shall—
- (a) calculate the amount of the difference (if any) between the certified amount and the provisional amount, and
 - (b) if there is a difference, inform the authority of the amount of the difference.
- (13) If at the time the Secretary of State makes the calculation required by sub-paragraph (12) above no payment has been made under sub-paragraph (9) or (10) above in relation to the amount notified under sub-paragraph (6)(b) above—
- (a) sub-paragraphs (9) and (10) above shall not apply in relation to that amount, and
 - (b) sub-paragraph (14) below shall apply.
- (14) Where this sub-paragraph applies—
- (a) if the certified amount exceeds the provisional amount the authority shall pay an amount equal to the difference to the Secretary of State at such time as he may direct, and
 - (b) if the certified amount is less than the provisional amount the Secretary of State shall pay an amount equal to the difference to the authority, and the amount shall be paid at such time as he decides with the Treasury’s approval.

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- (15) Regulations under this sub-paragraph may make provision for financial adjustments to be made where at the time the Secretary of State makes the calculation required by sub-paragraph (12) above a payment has already been made under sub-paragraph (9) or (10) above in relation to the amount notified under sub-paragraph (6)(b) above; and the regulations may include provision—
- (a) for the making of payments by the Secretary of State or the authority, and
 - (b) as to the time at which any such payment must be made.”
- (11) For sub-paragraph (2) of paragraph 6 there shall be substituted the following sub-paragraph—
- “(2) Such a calculation shall be made on the basis of the information before the person making the calculation at the time he makes it; but the Secretary of State may make regulations—
- (a) requiring a calculation under paragraph 5(2) or (3) above to be made on the basis of that information read subject to prescribed assumptions;
 - (b) enabling a calculation under paragraph 5(6) above to be made without taking into account any information as regards which the following conditions are satisfied—
 - (i) it is not reasonably practicable for the person making the calculation to take it into account; and
 - (ii) it was received by the authority after a prescribed date (which may be before or after the end of the year in question).”

Pooling

- 7 For Part III of Schedule 8 to the 1988 Act (non-domestic rating: pooling) there shall be substituted the following Part—

“PART III

DISTRIBUTION

Interpretation

- 8 (1) For the purposes of this Part of this Schedule a receiving authority is any billing authority or major precepting authority.
- (2) Any reference in this Part of this Schedule to a local government finance report is a reference to a report made under section 78A above.

Distributable amount

- 9 (1) Before a financial year begins the Secretary of State shall estimate—
- (a) the aggregate of the items of account which will be credited to the account kept for the year; and

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- (b) the aggregate of the items of account which will be debited to the account kept for the year under paragraphs 2(2)(a) and 3(3)(b) above.
- (2) In making any estimate under sub-paragraph (1) above the Secretary of State may make such assumptions as he sees fit.
- (3) If the aggregate estimated under sub-paragraph (1)(a) above exceeds the aggregate estimated under sub-paragraph (1)(b) above the Secretary of State shall calculate the amount equal to the difference.
- (4) In the local government finance report for the year the Secretary of State shall specify the amount arrived at under this paragraph (the distributable amount for the year).

Distribution: local government finance reports

- 10 (1) A local government finance report for a financial year shall specify the basis (the basis of distribution) on which the Secretary of State proposes to distribute among receiving authorities the distributable amount for the year.
- (2) Before making the report the Secretary of State shall notify to such representatives of local government as appear to him to be appropriate the general nature of the basis of distribution.
- 11 (1) This paragraph applies where—
 - (a) in relation to a financial year, the distributable amount for the year has been calculated and specified in a report in accordance with paragraph 9 above; and
 - (b) the report has been laid before the House of Commons.
- (2) If the report is approved by resolution of the House of Commons, the distributable amount for the year shall be distributed among and paid to receiving authorities in accordance with this paragraph and paragraph 12 below.
- (3) As soon as is reasonably practicable after the report has been so approved, the Secretary of State shall calculate what sum falls to be paid to each receiving authority as its share of the distributable amount for the year in accordance with the basis of distribution specified in the report as so approved.
- (4) Subject to sub-paragraph (5) below, after making a calculation under sub-paragraph (3) above, the Secretary of State may, at any time before the end of the financial year following the financial year to which the report relates, make one further calculation of what sum falls to be paid to each receiving authority as its share of the distributable amount for the year in accordance with the basis of distribution so specified.
- (5) The power to make a calculation under sub-paragraph (4) above shall not be exercisable after the approval by resolution of the House of Commons of any amending report made under paragraph 13 below in relation to the local government finance report.

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- (6) If the Secretary of State decides that he will leave out of account information received by him after a particular date in making a calculation under sub-paragraph (3) or (4) above, the calculation shall be made accordingly, and he may decide different dates for different kinds of information.
 - (7) Sub-paragraph (6) above applies only if the Secretary of State informs each receiving authority in writing of his decision and of the date (or the dates and kinds of information) concerned; but he may do this at any time before the calculation is made under this paragraph (whether before or after the distributable amount for the year is calculated under paragraph 9 above).
 - (8) As soon as is reasonably practicable after making a calculation under sub-paragraph (3) or (4) above, the Secretary of State shall inform each receiving authority of the sum he calculates falls to be paid to it as its share of the distributable amount for the year.
- 12
- (1) Where a calculation is made under paragraph 11(3) above the Secretary of State shall pay to each receiving authority any sum calculated as falling to be paid to it.
 - (2) The sum shall be paid in instalments of such amounts, and at such times in the financial year to which the report relates (the financial year concerned), as the Secretary of State determines with the Treasury's consent.
 - (3) Where a calculation is made under paragraph 11(4) above and the sum it shows as falling to be paid to a receiving authority exceeds that shown as falling to be paid to it by the calculation for the financial year concerned under paragraph 11(3) above, the Secretary of State shall pay to the authority a sum equal to the difference.
 - (4) The sum shall be paid at such time, or in instalments of such amounts and at such times, as the Secretary of State determines with the Treasury's consent; but any such time must fall after the end of the financial year concerned.
 - (5) Where a calculation is made under paragraph 11(4) above and the sum it shows as falling to be paid to a receiving authority is less than that shown as falling to be paid to it by the calculation for the financial year concerned under paragraph 11(3) above, a sum equal to the difference shall be paid by the authority to the Secretary of State.
 - (6) The sum shall be paid on such day after the end of the financial year concerned as the Secretary of State may specify; and if it is not paid on or before that day it shall be recoverable in a court of competent jurisdiction.

Distribution: amending reports

- 13
- (1) Subject to sub-paragraph (6) below, after a local government finance report has been made the Secretary of State may, at any time before the end of the financial year following the financial year concerned, make in relation to the report one or more amending reports under this paragraph.

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- (2) An amending report under this paragraph shall contain amendments to the basis of distribution specified in the local government finance report.
 - (3) Before making the report the Secretary of State shall notify to such representatives of local government as appear to him to be appropriate the general nature of the amendments which he proposes to make.
 - (4) The report shall be laid before the House of Commons.
 - (5) As soon as is reasonably practicable after the report is laid before the House of Commons, the Secretary of State shall send a copy of it to each receiving authority.
 - (6) Where an amending report under this paragraph has been approved by resolution of the House of Commons, the Secretary of State may not make a subsequent amending report under this paragraph in relation to the same local government finance report.
- 14
- (1) As soon as is reasonably practicable after an amending report made under paragraph 13 above has been approved by resolution of the House of Commons, the Secretary of State shall calculate what sum falls to be paid to each receiving authority as its share of the distributable amount for the year in accordance with the basis of distribution specified in the local government finance report as amended by the amending report.
 - (2) Subject to sub-paragraph (3) below, after making a calculation under sub-paragraph (1) above the Secretary of State may make one further calculation of what sum falls to be paid to each receiving authority as its share of the distributable amount for the year in accordance with that basis of distribution.
 - (3) A calculation may not be made under sub-paragraph (2) above after whichever is the later of—
 - (a) the end of the financial year following the financial year concerned, and
 - (b) the end of the period of 3 months beginning with the day on which the amending report is approved by resolution of the House of Commons.
 - (4) Sub-paragraphs (6) to (8) of paragraph 11 above apply in relation to calculations made under sub-paragraphs (1) and (2) above as they apply in relation to calculations made under sub-paragraphs (3) and (4) of that paragraph.
- 15
- (1) This paragraph applies where a calculation (the relevant calculation) is made under paragraph 14(1) or (2) above in relation to an amending report.
 - (2) Where the sum shown by the relevant calculation as falling to be paid to a receiving authority for the financial year concerned exceeds that shown as falling to be paid to it by the relevant previous calculation, the Secretary of State shall pay to the authority a sum equal to the difference.
 - (3) The sum shall be paid at such times, or in instalments of such amounts and at such times, as the Secretary of State determines with the

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Treasury’s consent; but any such time must fall after the end of the financial year in which the amending report was made.

- (4) Where the sum shown by the relevant calculation as falling to be paid to a receiving authority for the financial year concerned is less than that shown as falling to be paid to it by the relevant previous calculation, a sum equal to the difference shall be paid by the authority to the Secretary of State.
- (5) The sum shall be paid on such day after the end of the financial year in which the amending report was made as the Secretary of State may specify; and if it is not paid on or before that day it shall be recoverable in a court of competent jurisdiction.
- (6) In this paragraph “the relevant previous calculation” means—
 - (a) in relation to a calculation made under paragraph 14(1) above, the calculation under paragraph 11(3) above or, where a further calculation has been made under paragraph 11(4) above, that further calculation;
 - (b) in relation to a calculation made under paragraph 14(2) above, the calculation made under paragraph 14(1) above.”

PART II

GRANTS

8 In section 76 of the 1988 Act (interpretation), for subsections (2) and (3) there shall be substituted the following subsection—

“(2) A receiving authority is any billing authority or major precepting authority.”

9 In section 78 of the 1988 Act (revenue support grant), subsections (6) and (7) shall cease to have effect.

10 After section 78 of the 1988 Act there shall be inserted the following section—

“78A Local government finance reports

- (1) A determination under section 78 above shall be specified in a report (to be called a local government finance report).
- (2) A local government finance report shall also specify the basis (the basis of distribution) on which the Secretary of State proposes to distribute among receiving authorities the amount of revenue support grant which under this Part falls to be paid to such authorities for the financial year to which the report relates (the financial year concerned).
- (3) Before making the report the Secretary of State shall notify to such representatives of local government as appear to him to be appropriate the general nature of the basis of distribution.
- (4) The report shall be laid before the House of Commons.
- (5) As soon as is reasonably practicable after the report is laid before the House of Commons, the Secretary of State shall send a copy of it to each receiving authority.”

Status: This is the original version (as it was originally enacted).

- 11 (1) In subsection (1) of section 79 of the 1988 Act (effect of report's approval), for the words "section 78" there shall be substituted the words "sections 78 and 78A".
- (2) In subsection (4) of that section, for the words "sections 80 to 83 below or sections 80 to 84 below (as the case may be)" there shall be substituted the words "sections 82 and 83 below".
- 12 Sections 80 and 81 of the 1988 Act (distribution reports and their effect) shall cease to have effect.
- 13 For section 82 of the 1988 Act there shall be substituted the following section—

“82 Calculation of sums payable

- (1) As soon as is reasonably practicable after a local government finance report for a financial year has been approved by resolution of the House of Commons, the Secretary of State shall calculate what sum, if any, falls to be paid to each receiving authority by way of revenue support grant for the year in accordance with the basis of distribution specified in the report as so approved.
- (2) Subject to subsection (3) below, after making a calculation under subsection (1) above the Secretary of State may, at any time before the end of the financial year following the financial year concerned, make one further calculation of what sum, if any, falls to be paid to each receiving authority by way of revenue support grant for the year in accordance with the basis of distribution so specified.
- (3) The power to make a calculation under subsection (2) above shall not be exercisable after the approval by resolution of the House of Commons of any amending report made under section 84A below in relation to the local government finance report.
- (4) If the Secretary of State decides that he will leave out of account information received by him after a particular date in making a calculation under subsection (1) or (2) above the calculation shall be made accordingly, and he may decide different dates for different kinds of information.
- (5) Subsection (4) above applies only if the Secretary of State informs each receiving authority in writing of his decision and of the date (or the dates and kinds of information) concerned; but he may do this at any time before the calculation is made under this section (whether before or after a determination is made for the year under section 78 above).
- (6) As soon as is reasonably practicable after making a calculation under subsection (1) or (2) above the Secretary of State shall, subject to subsection (7) below, inform each receiving authority of the sum he calculates falls to be paid to it by way of revenue support grant for the year.
- (7) If the Secretary of State calculates in the case of a particular receiving authority that no sum falls to be paid to it as mentioned in subsection (6) above, he shall inform the receiving authority of that fact.”
- 14 Section 84 of the 1988 Act (special provision for transitional years) shall cease to have effect.

- 15 Immediately before section 85 of the 1988 Act there shall be inserted the following sections—

“Revenue support grant: amending reports

84A Amending reports

- (1) Subject to subsection (6) below, after a local government finance report has been made the Secretary of State may, at any time before the end of the financial year following the financial year concerned, make in relation to the report one or more amending reports under this section.
- (2) An amending report under this section shall contain amendments to the basis of distribution specified in the local government finance report.
- (3) Before making the report the Secretary of State shall notify to such representatives of local government as appear to him to be appropriate the general nature of the amendments which he proposes to make.
- (4) The report shall be laid before the House of Commons.
- (5) As soon as is reasonably practicable after the report is laid before the House of Commons, the Secretary of State shall send a copy of it to each receiving authority.
- (6) Where an amending report under this section has been approved by resolution of the House of Commons, the Secretary of State may not make a subsequent amending report under this section in relation to the same local government finance report.

84B Calculation of sums payable under amending reports

- (1) As soon as is reasonably practicable after an amending report made under section 84A above has been approved by resolution of the House of Commons, the Secretary of State shall calculate what sum, if any, falls to be paid to each receiving authority by way of revenue support grant for the financial year concerned in accordance with the basis of distribution specified in the local government finance report as amended by the amending report.
- (2) Subject to subsection (3) below, after making a calculation under subsection (1) above the Secretary of State may make one further calculation of what sum, if any, falls to be paid to each receiving authority by way of revenue support grant for the year in accordance with that basis of distribution.
- (3) A calculation may not be made under subsection (2) above after whichever is the later of—
 - (a) the end of the financial year following the financial year concerned, and
 - (b) the end of the period of 3 months beginning with the day on which the amending report is approved by resolution of the House of Commons.

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- (4) Subsections (4) to (7) of section 82 above apply in relation to calculations made under subsections (1) and (2) above as they apply in relation to calculations made under subsections (1) and (2) of that section.

84C Payment of sums under amending reports

- (1) This section applies where a calculation (the relevant calculation) is made under section 84B(1) or (2) above in relation to an amending report.
- (2) Where the sum shown by the relevant calculation as falling to be paid to a receiving authority for the financial year concerned exceeds that shown as falling to be paid to it by the relevant previous calculation, the Secretary of State shall pay to the authority a sum equal to the difference.
- (3) The sum shall be paid at such times, or in instalments of such amounts and at such times, as the Secretary of State determines with the Treasury's consent; but any such time must fall after the end of the financial year in which the amending report was made.
- (4) Where the sum shown by the relevant calculation as falling to be paid to a receiving authority for the financial year concerned is less than that shown as falling to be paid to it by the relevant previous calculation, a sum equal to the difference shall be paid by the authority to the Secretary of State.
- (5) The sum shall be paid on such day after the end of the financial year in which the amending report was made as the Secretary of State may specify; and if it is not paid on or before that day it shall be recoverable in a court of competent jurisdiction.
- (6) In this section “the relevant previous calculation” means—
- (a) in relation to a calculation made under section 84B(1) above, the calculation under section 82(1) above or, where a further calculation has been made under section 82(2) above, that further calculation;
 - (b) in relation to a calculation made under section 84B(2) above, the calculation made under section 84B(1) above.”
- 16 (1) In subsection (1) of section 85 of the 1988 Act (additional grant), for the words “revenue support grant report” there shall be substituted the words “local government finance report”.
- (2) In subsection (7) of that section, for the words “notifiable authority” there shall be substituted the words “receiving authority”.
- 17 In section 86 of the 1988 Act (effect of report's approval), subsections (4) to (6) shall cease to have effect.
- 18 For section 88A of the 1988 Act there shall be substituted the following sections—

“Other grants

88A Council tax grants

- (1) If regulations under section 13 of the Local Government Finance Act 1992 (reduced amounts of tax) have effect as regards a financial year the Secretary

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of State may, with the consent of the Treasury, pay a grant to a billing authority as regards that financial year.

- (2) The amount of the grant shall be such as the Secretary of State may with the consent of the Treasury determine.
- (3) A grant under this section shall be paid at such time, or in instalments of such amounts and at such times, as the Secretary of State may with the consent of the Treasury determine.
- (4) In making any payment of grant under this section the Secretary of State may impose such conditions as he may with the consent of the Treasury determine; and the conditions may relate to the repayment in specified circumstances of all or part of the amount paid, or otherwise.
- (5) In deciding whether to pay a grant under this section, and in determining the amount of any such grant, the Secretary of State shall have regard to his estimate of any amount which, in consequence of the regulations, the authority might reasonably be expected to lose, or to have lost, by way of payments in respect of the council tax set by it for the financial year concerned.

88B Special grants

- (1) The Secretary of State may, with the consent of the Treasury, pay a grant (in this section referred to as a special grant) in accordance with this section to a relevant authority.
- (2) Where the Secretary of State proposes to make one special grant he shall, before making the grant, make a determination stating with respect to the grant—
 - (a) to which authority it is to be paid,
 - (b) the purpose for which it is to be paid, and
 - (c) the amount of the grant or the manner in which the amount is to be calculated.
- (3) Where the Secretary of State proposes to make two or more special grants to different authorities he shall, before making the grants, make a determination stating with respect to the grants—
 - (a) to which authorities they are to be paid,
 - (b) the purpose for which they are to be paid, and
 - (c) either—
 - (i) the amount of the grant which he proposes to pay to each authority or the manner in which the amount is to be calculated, or
 - (ii) the total amount which he proposes to distribute among the authorities by way of special grants and the basis on which he proposes to distribute that amount.
- (4) A determination under subsection (2) or (3) above shall be made with the consent of the Treasury and shall be specified in a report (to be called a special grant report) which shall contain such explanation as the Secretary of State considers desirable of the main features of the determination.

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- (5) A special grant report shall be laid before the House of Commons and, as soon as is reasonably practicable after the report has been so laid, the Secretary of State shall send a copy of it to any relevant authority to whom a special grant is proposed to be paid in accordance with the determination in the report.
- (6) No special grant shall be paid unless the special grant report containing the determination relating to the grant has been approved by a resolution of the House of Commons.
- (7) A special grant report may specify conditions which the Secretary of State, with the consent of the Treasury, intends to impose on the payment of (or of any instalment of) any special grant to which the report relates; and the conditions may—
- (a) require the provision of returns or other information before a payment is made to the relevant authority concerned, or
 - (b) relate to the use of the amount paid, or to the repayment in specified circumstances of all or part of the amount paid, or otherwise.
- (8) Without prejudice to compliance with any conditions imposed as mentioned in subsection (7) above, a special grant shall be paid at such time or in instalments of such amounts and at such times as the Secretary of State may, with the consent of the Treasury, determine.
- (9) For the purposes of this section each of the following is a relevant authority—
- (a) a receiving authority;
 - (b) a metropolitan county passenger transport authority established by section 28 of the Local Government Act 1985.”

PART III

FUNDS

19 In subsection (1) of section 89 of the 1988 Act (collection funds), for the words “charging authority” there shall be substituted the words “billing authority”.

20 For section 90 of the 1988 Act there shall be substituted the following section—

“90 Payments to and from collection funds

- (1) The following shall be paid into the collection fund of a billing authority—
- (a) sums received by the authority in respect of council tax set by it in accordance with section 30 of the Local Government Finance Act 1992 (but not sums received by way of penalty),
 - (b) sums received by the authority from any major precepting authority under regulations made under section 99(3) below,
 - (c) sums received by the authority in respect of any non-domestic rate under this Act,
 - (d) sums received by the authority under paragraph 5(10) or (14) of Schedule 8 below or regulations made under paragraph 5(15) or 6(5) of that Schedule, and

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- (e) any other sums which the Secretary of State specifies are to be paid into a billing authority's collection fund.
- (2) The following payments shall be met from the collection fund of a billing authority—
- (a) payments to be made by the authority in respect of the amount of any precept issued by a major precepting authority under Part I of the Local Government Finance Act 1992 (but not payments to be so made in respect of interest on such an amount),
 - (b) payments to be made by the authority to any major precepting authority under regulations made under section 99(3) below,
 - (c) payments to be made by the authority to the Secretary of State under paragraph 5 of Schedule 8 below or regulations made under subparagraph (15) of that paragraph,
 - (d) payments to be made by the authority to another person in repaying, under regulations under this Act or Part I of the Local Government Finance Act 1992, excess receipts by way of non-domestic rates or of council tax, and
 - (e) any other payments which are to be made by the authority to another person and which the Secretary of State specifies are to be met from a billing authority's collection fund.
- (3) The power to specify under this section—
- (a) includes power to revoke or amend a specification made under the power;
 - (b) may be exercised differently in relation to different authorities.”
- 21 Sections 95 and 96 of the 1988 Act (calculations and substitute calculations to be made by authorities) shall cease to have effect.
- 22 For section 97 of the 1988 Act there shall be substituted the following section—

“97 Principal transfers between funds

- (1) Subject to subsection (2) below, a billing authority which has made calculations in accordance with sections 32 to 36 of the Local Government Finance Act 1992 (originally or by way of substitute) shall transfer from its collection fund to its general fund an amount which shall be calculated by applying the formula—

$$B \times T$$

where—

B is the amount calculated (or last calculated) by the authority under section 33(1) of that Act as the basic amount of its council tax;

T is the amount determined for item T in section 33(1) of that Act.

- (2) Where the amount given by subsection (1) above is a negative amount, the authority shall transfer the equivalent positive amount from its general fund to its collection fund.
- (3) Where in accordance with regulations under section 99(3) below a billing authority has estimated that there is a surplus in its collection fund for the preceding year, it shall transfer from its collection fund to its general

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fund an amount equal to so much of the surplus as, in accordance with the regulations, the authority calculates to be its share.

(4) Where in accordance with regulations under section 99(3) below a billing authority has estimated that there is a deficit in its collection fund for the preceding year, it shall transfer from its general fund to its collection fund an amount equal to so much of the deficit as, in accordance with the regulations, the authority calculates must be borne by it.

(5) In this section and sections 98 and 99 below, any reference to a billing authority's general fund shall be construed in relation to the Common Council as a reference to the City fund."

- 23 (1) In section 98 of the 1988 Act (other transfers between funds), the following shall cease to have effect, namely—
- (a) subsections (1) and (2);
 - (b) in subsection (3), in paragraph (a), the words "or to the City fund (as the case may be)", in paragraph (c), the words "or from the City fund (as the case may be)", and paragraph (d);
 - (c) in subsection (4), the words "or to the City fund (as the case may be)"; and
 - (d) in subsection (5), the words "or from the City fund (as the case may be)".
- (2) In subsections (4) and (5) of that section, for the words "charging authority" there shall be substituted the words "billing authority".
- (3) In subsection (6) of that section, for the words "subsection (1), (4) or (5)" there shall be substituted the words "subsection (4) or (5)".
- 24 For section 99 of the 1988 Act there shall be substituted the following section—

"99 Regulations about funds

- (1) The Secretary of State may make regulations about the discharge of the following liabilities of a billing authority—
- (a) the liability to pay anything from its collection fund or its general fund in respect of any precept issued by a major or local precepting authority under Part I of the Local Government Finance Act 1992;
 - (b) the liability to transfer anything from its collection fund under section 97(1) or (3) above; and
 - (c) the liability to transfer anything from its general fund under section 97(2) or (4) above.
- (2) The regulations may include provision—
- (a) that anything falling to be paid or transferred must be paid or transferred within a prescribed period;
 - (b) that anything falling to be paid or transferred must be paid or transferred in instalments of such amounts, and at such times, as are determined by the billing authority in accordance with prescribed rules;
 - (c) that the billing authority must inform any precepting authorities when instalments will be paid and how they are to be calculated;
 - (d) that if an instalment is not paid to a precepting authority in accordance with the regulations, it is to be entitled to interest on the amount of the instalment;

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- (e) as to the circumstances in which the billing authority is to be treated as having discharged the liabilities mentioned in subsection (1) above;
 - (f) as to the recovery (by deduction or otherwise) of any excess amount paid by the billing authority to any precepting authority in purported discharge of the liability mentioned in subsection (1)(a) above; and
 - (g) as to the transfer back of any excess amount transferred by the billing authority in purported discharge of the liability mentioned in subsection (1)(b) or (c) above.
- (3) The Secretary of State may by regulations make provision as regards any financial year—
- (a) that a billing authority must estimate at a prescribed time in the preceding financial year and in accordance with prescribed rules whether there is a deficit or surplus in its collection fund for that year and, if so, the amount of the deficit or surplus;
 - (b) that any surplus or deficit so estimated shall in the financial year concerned—
 - (i) be shared among, or be borne between, the billing authority and major precepting authorities in accordance with prescribed rules; or
 - (ii) in the case of the financial year beginning in 1993, belong solely to, or be borne solely by, the billing authority;
 - (c) that the billing authority must within a prescribed period inform any major precepting authorities of the effects of any estimates and rules mentioned in paragraphs (a) and (b) above;
 - (d) as to the manner in which any payments which fall to be made by a billing authority or a major precepting authority by virtue of any provision included in regulations under paragraph (a) or (b) above must be made;
 - (e) as to the period within which, or time or times at which, any such payments or instalments of such payments must be made; and
 - (f) as to the recovery (by deduction or otherwise) of any excess amount paid by a major precepting authority or a billing authority in purported discharge of any liability arising by virtue of any provision included in regulations under paragraph (a) or (b) above.
- (4) The Secretary of State may make regulations requiring transfers between funds, or adjustments or assumptions, to be made to take account of any substitute calculation under section 32(4) of the Local Government Finance Act 1992.
- (5) The Secretary of State may make regulations providing that sums standing to the credit of a billing authority's collection fund at any time in a financial year must not exceed a total to be calculated in such manner as may be prescribed.
- (6) Regulations under subsection (5) above in their application to a particular financial year (including regulations amending others) shall not be effective unless they come into force before 1 January in the preceding financial year; but this does not affect regulations which merely revoke others.”