



# Local Government Finance and Valuation Act 1991

## 1991 CHAPTER 51

### *Charge capping*

#### **1 Repeal of section 101 of Local Government Finance Act 1988**

- (1) In the Local Government Finance Act 1988 (in this Act referred to as “the 1988 Act”) section 101 (which contains restrictions on the powers of the Secretary of State to designate English or Welsh authorities under section 100 of that Act) shall cease to have effect.
- (2) In consequence of subsection (1) above, the following provisions of the 1988 Act shall also cease to have effect—
  - (a) section 103(7) (which modifies provisions of section 101 in certain cases); and
  - (b) in section 143(6) (which relates to the power to make orders under provisions of section 101) the words “section 101(1) or (2) above or”.
- (3) Subsections (1) and (2) above do not have effect as regards any chargeable financial year, as defined in section 145 of the 1988 Act, which begins before 1st April 1992.

#### **2 Amendment of grounds for charge capping in Scotland**

- (1) In section 22 (reduction of community charges) of the Abolition of Domestic Rates Etc. (Scotland) Act 1987 (in this Act referred to as “the 1987 Act”) for the words “and unreasonable” there shall be substituted the words “or that an increase in those expenses is excessive”.
- (2) In Schedule 3 to the 1987 Act (further provision as to reduction of community charges)
  - (a) in paragraph 1(1), for the words “and unreasonable” there shall be substituted the words “or that there is an excessive increase in those expenses over the total estimated expenses there mentioned of the local authority in respect of the financial year preceding that year,”;

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*Status: This is the original version (as it was originally enacted).*

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- (b) for the words in paragraph 1(3) from “and”, where first occurring, to the end there shall be substituted—
- “or that any increase in those expenses is excessive, the Secretary of State—
- (L) may leave out of account such categories of estimated expenses as he thinks fit; and
- (L) shall have regard to such principles as he may determine in respect of that year.
- (3A) Different principles may be determined under sub-paragraph (3) above for different classes of local authority and the Secretary of State may classify local authorities for the purposes of this sub-paragraph by reference to such factors as he thinks fit.”;
- (c) in paragraph 2(a), for the words “and unreasonable” there shall be substituted the words “or, as the case may be, whether the increase in those expenses is excessive”.
- (3) This section does not affect the grounds upon which the Secretary of State may make a report under Schedule 3 to the 1987 Act proposing a reduction of any community charge determined in respect of any financial year (within the meaning of the 1987 Act) which begins before 1st April 1992.