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STATUTORY INSTRUMENTS

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**2004 No. 243**

**LOCAL GOVERNMENT, ENGLAND**

FINANCE

**The Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2004**

<i>Made</i>	- - - -	<i>5th February 2004</i>
<i>Laid before Parliament</i>		<i>6th February 2004</i>
<i>Coming into force</i>	- -	<i>7th February 2004</i>

The First Secretary of State, in exercise of the powers conferred upon him by sections 32(9), 33(4), 43(7), 44(4) and 113(2) of the Local Government Finance Act 1992 (1) and sections 86(5), 88(8), 89(9) and 420(1) of the Greater London Authority Act 1999(2), and of all other powers enabling him in that behalf, hereby makes the following Regulations:

**Citation, commencement, application and interpretation**

1.—(1) These Regulations may be cited as the Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2004 and shall come into force on 7th February 2004.

(2) These Regulations apply in relation to the financial year beginning on 1st April 2004 and in relation to authorities in England only (3).

(3) In these Regulations—

“the 1992 Act” means the Local Government Finance Act 1992;

“the 1999 Act” means the Greater London Authority Act 1999.

**Budget requirement (billing authorities) – calculation**

2. Section 32 of the 1992 Act has effect as if—

(a) in subsection (2)(a) the words “, other than any expenditure it estimates will be charged to a BID Revenue Account for the year (excluding expenditure incurred by the authority

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(1) 1992 c. 14; section 32(9) was amended by paragraph 4 of Schedule 12 to the Local Government (Wales) Act 1994 (1994 c. 19).

(2) 1999 c. 29.

(3) The power to make regulations under sections 32(9), 33(4), 43(7) and 44(4) in relation to Wales transferred from the Secretary of State to the National Assembly for Wales under article 2(a) of and Schedule 1 to the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I.1999/672): see the entry in Schedule 1 for the Local Government Finance Act 1992.

in making a financial contribution or taking action under section 43(2)(a) of the Local Government Act 2003(4)”were added at the end of that subsection;

(b) in subsection (3)(a)(5) the words—

(i) “BID levy or financial contribution made by a person under section 43(2)(b) or (c) of the Local Government Act 2003,” were inserted after the words “redistributed non-domestic rates,”;

(ii) “or relevant special grant” were omitted; and

(c) for subsection (12)(6) there were substituted the following subsection—

“(12) In this section and in section 33 below “police grant” means the grant payable in accordance with paragraph 3.1 of the Police Grant Report (England and Wales) 2004/05 approved by a resolution of the House of Commons pursuant to section 46 of the Police Act 1996(7) on 5th February 2004.”;

(d) there were added after subsection (12)—

“(13) In this section “BID levy” and “BID Revenue Account” shall bear the meaning given in Part 4 of the Local Government Act 2003.”.

#### **Basic amount of council tax (billing authorities) – calculation**

3. Section 33(1) of the 1992 Act(8) has effect as if the words “or relevant special grant” in item P were omitted.

#### **Budget requirement (major precepting authorities other than the Greater London Authority) – calculation**

4. Section 43 of the 1992 Act has effect as if—

(a) in subsection (3)(a)(i)(9) the words “relevant special grant” were omitted;

(b) for subsection (6A)(10), there were substituted the following subsection —

“(6A) In this section and section 44 below, “police grant” has the meaning given by section 32(12) above.”.

#### **Basic amount of council tax (major precepting authorities other than the Greater London Authority) – calculation**

5. Section 44(1) of the 1992 Act(11) has effect as if the words “relevant special grant” in item P were omitted.

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(4) 2003 (c. 26)

(5) Section 32(3)(a) was amended by the Local Authorities (Alteration of Requisite Calculations and Funds) Regulations 1994 (S.I. 1994/246) and the Local Authorities (Alteration of Requisite Calculations and Funds) Regulations 1995 (S.I. 1995/234). For the financial year beginning on 1st April 2003 section 32(3)(a) was amended by the Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2003 (S.I. 2003/195).

(6) Subsection (12) was inserted by the Local Authorities (Alteration of Requisite Calculations and Funds) Regulations 1995 (S.I. 1995/234), which also made relevant amendments to sections 32(3) and 33(1) (references to “police grant” and “relevant special grant”). Section 32(12) was substituted in relation to the financial year 2003/2004 by regulation 2(b) of the Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2003 (S.I. 2003/195).

(7) 1996 c. 16.

(8) Section 33(1) was amended by S.I. 1994/246, S.I. 1995/234 and in relation to the financial year 2003/2004 by S.I. 2003/195.

(9) Section 43(3)(a) was amended by S.I. 1995/234, and in relation to the financial year 2003/2004 by S.I. 2003/195.

(10) Section 43(6A) was inserted by S.I. 1994/246, substituted by S.I. 1995/234, and substituted in relation to the financial year 2003/2004 by S.I. 2003/195.

(11) Section 44(1) was amended by S.I. 1994/246, S.I. 1995/234, and in relation to the financial year 2003/2004 by S.I. 2003/195.

### **Budget requirement (Greater London Authority) – calculation**

6. Section 85(5)(a)(i) of the 1999 Act(12) has effect as if the words “relevant special grant” were omitted.

### **Basic amount of council tax (Greater London Authority) – calculation**

7. Section 88 of the 1999 Act(13) has effect as if —
- (a) in subsection (2) in item P1 paragraph (e) were omitted;
  - (b) in subsection (4) paragraph (d) were omitted.

### **Additional calculation: special item for part of Greater London**

8. Section 89 of the 1999 Act(14) has effect as if —
- (a) in subsection (4) in item P2 paragraph (f) were omitted;
  - (b) in subsection (6) paragraph (e) were omitted.

### **Interpretation of Chapter I of Part 3 of the 1999 Act**

9. Section 99 of the 1999 Act(15) has effect as if the definition of “relevant special grant” were omitted.

### **Distribution of grants by the Greater London Authority**

10. Section 102 of the 1999 Act(16) has effect as if —
- (a) in subsection (2) paragraph (c) were omitted;
  - (b) subsection (8) were omitted.

Signed by authority of the First Secretary of State

5th February 2004

*Nick Raynsford*  
Minister of State,  
Office of the Deputy Prime Minister

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(12) Section 85(5) was amended in relation to the financial year 2003/2004 by S.I. [2003/195](#).

(13) Paragraph (e) of subsection (2) and paragraph (d) of subsection (4) of section 88 was omitted in relation to the financial year 2003/2004 by S.I. [2003/195](#).

(14) Paragraph (f) of subsection (4) and paragraph (e) of subsection (6) of section 89 were omitted in relation to the financial year 2003/2004 by S.I. [2003/195](#).

(15) Section 99 was amended in relation to the financial year 2003/2004 by S.I. [2003/195](#).

(16) Paragraph (c) of subsection (2) and subsection (8) of section 102 were omitted in relation to the financial year 2003/2004 by S.I. [2003/195](#).

*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

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## EXPLANATORY NOTE

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

Sections 32 and 43 of the Local Government Finance Act 1992 (“the 1992 Act”) set out respectively how a billing authority and a major precepting authority other than the Greater London Authority (“GLA”) are to calculate their budget requirements for a financial year, and sections 33 and 44 of that Act set out respectively how a billing authority and such a major precepting authority are to calculate the basic amount of their council tax. For the Greater London Authority, the budget requirement is calculated under section 85 of the Greater London Authority Act 1999 (“the 1999 Act”), the basic amount of council tax (for services funded by the GLA other than the Metropolitan Police Authority) is calculated under section 88 of that Act and the additional amount of council tax in respect of the Metropolitan Police Authority is calculated under section 89 of that Act.

Regulation 2(a) of these Regulations amends for authorities in England for the financial year beginning on 1 April 2004, section 32(2)(a) of the 1992 Act to exclude expenditure to be charged to a business improvement district (“BID”) Revenue Account (except for expenditure incurred by the authority in making a financial contribution or taking action under section 43(2)(a) of the Local Government Act 2003) from the expenditure that the authority must aggregate under section 32(2). Similarly, regulation 2(b) of these Regulations amends for authorities in England section 32(3)(a) to exclude BID levy or financial contributions made by a person under section 43(2)(b) or (c) of the Local Government Act 2003 from the income that the authority must aggregate under section 32(3)(a). BIDs are projects to improve a particular area. They are paid for by a BID levy and the revenue received by a billing authority by way of BID levy may only be spent on the BID project. Regulation 2(d) inserts definitions for BID levy and BID Revenue Account.

Regulations 2(b) and 3 to 10 of these Regulations omit references to “relevant special grants” from sections 32, 33, 43 and 44 of the 1992 Act, and from sections 85, 88, 89, 99 and 102 of the 1999 Act, for the financial year beginning on 1st April 2004 since no special grants are being defined as relevant special grants for the financial year beginning on 1st April 2004.

Regulation 2(c) of these Regulations amends the definition in section 32 of the 1992 Act of “police grant” for the financial year beginning on 1st April 2004. The amended definition applies to that section, and also to sections 33, 43 and 44 of the 1992 Act. The same definition of police grant applies to the corresponding sections of the 1999 Act (under section 99 of that Act).

A copy of the Police Grant Report (England and Wales) 2004/05 approved on 5th February 2004 ISBN 0-10-292728-6, price £5.00, referred to in regulation 2(c) may be obtained from the Stationery Office.

A full regulatory impact assessment has not been produced for this instrument, as it has no impact on the costs of businesses, charities or voluntary bodies.