



Local Government Finance Act 1982

1982 CHAPTER 32

PART I

RATES, PRECEPTS AND BORROWING

1 Limitation of rating powers

A rating authority shall not have power—

- (a) to make a supplementary rate ; or
- (b) to make a rate for any period other than a financial year.

2 Limitation of precepting powers

A precepting authority shall not have power—

- (a) to issue a supplementary precept; or
- (b) to issue a precept in respect of any period other than a financial year.

3 Substituted rates and precepts

(1) Subject to subsection (2) below—

- (a) a rating authority may make a rate for a financial year in substitution for a rate previously made by it for that year; and
- (b) a precepting authority may issue a precept in respect of a financial year in substitution for a precept previously issued by it in respect of that year.

(2) The estimated product of a substituted rate or precept shall not exceed the estimated product of the rate or precept for which it is substituted (the "original" rate or precept); and for the purposes of this subsection the product of a substituted rate or precept shall be estimated by reference to the same gross rateable value as the product of the original rate or precept.

Status: This is the original version (as it was originally enacted).

- (3) Section 12(6) of the General Rate Act 1967 (which requires a precept to be issued or notified before the beginning of a financial year) shall not apply to a precept issued by virtue of subsection (1)(b) above.
- (4) Where a precept is substituted by virtue of this section any authority which has made a rate by reference to the original precept—
- (a) shall under subsection (1)(a) above make a substituted rate by reference to the substituted precept; and
 - (b) shall be entitled to recover from the precepting authority—
 - (i) its administrative expenses in making repayments and allowing credits under subsections (5) and (6) below in respect of the original rate ; and
 - (ii) any increase attributable to paragraph (a) above in its rate collection expenses for the financial year;
 and in relation to the substituted rate made pursuant to paragraph (a) above the estimated product of the original rate shall for the purposes of subsection (2) above be treated as reduced by the difference (if any) between the estimated products of the original and the substituted precepts.
- (5) Where a rate or precept is substituted by virtue of this section any sum paid to the rating or precepting authority in respect of the original rate or precept (including any sum paid by way of an instalment or other part payment) shall—
- (a) to the extent to which it would have been payable if the original rate or precept had corresponded to the substituted rate or precept, be treated as paid in respect of the substituted rate or precept; and
 - (b) as to any excess, be repaid if the ratepayer by whom that sum was paid or, as the case may be, the authority to which the precept was issued so requires.
- (6) Where repayment of any amount is not required under subsection (5)(b) above that amount shall, as the rating or precepting authority may determine, either be repaid or—
- (a) in the case of an amount paid in respect of a rate, be credited against any subsequent liability of the ratepayer for rates in respect of the hereditament in question ;
 - (b) in the case of an amount paid in respect of a precept, be credited against any subsequent liability of the authority to which the precept was issued in respect of precepts issued to it by the precepting authority.
- (7) Where a person as tenant or licensee of any premises—
- (a) is liable to make payments (whether as part of his rent or otherwise) which vary or may vary according to the rates chargeable in respect of those premises ; or
 - (b) is entitled to make deductions from his rent in respect of those rates,
- he shall, where a rate affecting those premises is substituted by virtue of this section, be entitled to recover or, as the case may be, liable to make good so much of any payment or deduction as he would not have been liable or entitled to make if the original rate had corresponded to the substituted rate ; and any sum which he is entitled to recover as aforesaid may, without prejudice to any other method of recovery, be deducted by him from any rent payable by him to the person by whom that sum was received.
- (8) This section applies whether or not the original rate or precept was validly made or issued but shall not be construed as authorising the substitution of a rate or precept

for one made or issued after the passing of this Act in contravention of section 1 or 2 above.

4 Proceedings in respect of rates and precepts

- (1) The validity of a precept shall not be questioned except by an application for judicial review; and the validity of a rate shall not be questioned except as aforesaid on any of the grounds mentioned in subsection (2) below.
- (2) The grounds referred to in subsection (1) above in the case of a rate are—
 - (a) that any part of it was made for financing expenditure which the rating authority could not lawfully incur ;
 - (b) that it was made by reference to a precept which was wholly or partly invalid ;
or
 - (c) any other ground not based on facts relating to a particular hereditament or to the inclusion or exclusion of any particular person in or from the rate.
- (3) If on an application for judicial review the court decides to grant relief in respect of a rate on any of the grounds mentioned in subsection (2) above or in respect of a precept it shall quash the rate or precept whether the ground of invalidity relates to the whole or only to a part of it.
- (4) Subsection (1) above is without prejudice to the making of an application for judicial review in any case in which it could be made apart from that subsection.
- (5) Section 7 of the General Rate Act 1967 (appeal against rate) shall have effect subject to the foregoing provisions of this section, and accordingly the court shall not under that section amend or quash a rate except in relation to a particular hereditament.

5 Borrowing powers

- (1) After paragraph 11(2) of Schedule 13 to the Local Government Act 1972 (security for money borrowed by local authority) there shall be inserted—

“(2A) The reference in sub-paragraph (1) above to money borrowed by a local authority includes a reference to the interest for the time being payable in respect of that money.”
- (2) The Greater London Council may, with the approval of the Secretary of State and in accordance with any conditions subject to which the approval is given, borrow money for any purpose other than the purposes mentioned in paragraph 29 of Schedule 2 to the London Government Act 1963 (capital expenditure and lending to other persons).
- (3) Subsection (2) above is without prejudice to any borrowing powers of the Greater London Council existing apart from that subsection.

6 Rate relief in enterprise zones

- (1) At the end of paragraph 27(1) of Schedule 32 to the Local Government, Planning and Land Act 1980 (exemption from rates of certain hereditaments situated in areas designated as enterprise zones) there shall be added the words " or in respect of any part of an exempt hereditament as regards any period during which the area in which that part is situated is so designated. "

- (2) In paragraph 28 of the said Schedule 32 (mixed hereditaments)—
- (a) in sub-paragraph (2) (mixed hereditament to be rated as a dwelling of the appropriate rateable value), for the word "dwelling" there shall be substituted the word " dwelling-house "; and
 - (b) for sub-paragraph (3) (b) (extension of power to make regulations about appeals) there shall be substituted—
 - “(b) the reference to the occupier or person treated as occupier of the hereditament being dissatisfied by the view taken by the rating authority included a reference to the occupier, the person aforesaid or the rating authority being dissatisfied by the view taken by the valuation officer ; and”.
- (3) After the said paragraph 28 there shall be inserted—

“Hereditaments partially within enterprise zones

- 28A (1) As regards any period during which part only of an exempt hereditament (within the meaning of paragraph 27 above) is situated in an area designated as an enterprise zone, the valuation officer shall determine the portion of the rateable value of the hereditament attributable to the part of the hereditament situated outside the enterprise zone.
- (2) Where a determination in respect of a hereditament has been made under sub-paragraph (1) above, the amount of any rates payable in respect of the hereditament shall (subject to sub-paragraph (3)(b) below) be the amount which would be payable in respect of it if its rateable value were equal to the portion of the rateable value which was determined under sub-paragraph (1) above.
- (3) Where the hereditament in respect of which a determination has been so made is a mixed hereditament—
- (a) the valuation officer shall also determine the portion of the rateable value of the hereditament attributable to any part of it which is used for the purposes of a private dwelling or private dwellings and is situated within the enterprise zone; and
 - (b) if such a determination is made, the amount of any rates payable in respect of the hereditament shall be the aggregate of the following amounts, namely—
 - (i) the amount payable under sub-paragraph (2) above, and
 - (ii) the amount which would be payable in respect of it if it were a dwelling-house of a rateable value equal to the portion of the rateable value determined under paragraph (a) above.
- (4) Section 48(6) of the 1967 Act shall, with modifications corresponding to those contained in paragraph 28(3) above, apply also in relation to questions as to the portions mentioned in sub-paragraphs (1) and (3)(a) above.”

7 Interpretation and commencement of Part I

- (1) In this Part of this Act—

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

" financial year " means a period of twelve months beginning with 1st April;

" gross rateable value ", in relation to a rating or precepting authority, means the aggregate of the rateable values of the hereditaments in the authority's area;

" precepting authority " means an authority having power to issue a precept either to a rating authority or to a county council;

" rate " means a general rate except that—

- (a) in the case of the City of London, it includes the poor rate; and
- (b) in the case of the Inner Temple and the Middle Temple, it means any rate in the nature of a general rate levied in the Inner Temple or the Middle Temple, as the case may be ;

" rating authority " means any authority having power to make a rate under section 1 of the General Rate Act 1967;

" supplementary precept" means a precept which is issued by a precepting authority—

- (a) in respect of (or of part of) a financial year in respect of which it has already issued a precept; and
- (b) by way of addition to and not in substitution for that previous precept.

- (2) Sections 1 to 3 and 6(1) and (3) above have effect in relation to any financial year beginning on or after 1st April 1982.
- (3) Schedule 1 to this Act shall have effect in connection with the coming into force of sections 1 and 2 above.