



# Local Government Finance Act 1988

## 1988 CHAPTER 41

### PART IX

#### EXISTING RATES, PRECEPTS AND GRANTS

#### **117 Rates and precepts: abolition**

- (1) The General Rate Act 1967 shall not have effect as regards any time after 31 March 1990.
- (2) As regards any time after 31 March 1990 the Common Council shall have no power to make or levy a rate under section 15 or 18 of the City of London (Union of Parishes) Act 1907, the City of London (Tithes and Rates) Act 1910 or section 68(1) of the London Government Act 1963 (general rate, poor rate and St. Botolph tithe rate).
- (3) Neither the sub-treasurer of the Inner Temple nor the under-treasurer of the Middle Temple shall have power to make or levy a rate as regards any time after 31 March 1990.
- (4) No precepting authority shall have power to issue a precept in respect of a chargeable financial year, except as provided by this Act.
- (5) In subsection (6) below “levying body” means any body which—
  - (a) is established by or under an Act,
  - (b) apart from subsection (6) below would have in respect of the financial year beginning in 1990 power (conferred by or under an Act passed before, or in the same session as, this Act) to issue a precept to, make a levy on or have its expenses paid by a county council or charging authority, and
  - (c) is not a precepting authority, combined police authority, combined fire authority, magistrates' courts committee or probation committee.
- (6) In respect of any chargeable financial year no levying body shall have power under the Act concerned to issue a precept to, make a levy on or have its expenses paid by the council concerned.
- (7) In subsections (5) and (6) above “Act” includes a private or local Act.

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- (8) The Secretary of State may make regulations providing that the preceding provisions of this section shall have effect subject to prescribed savings.

### **118 Rates: power to abolish or modify**

- (1) This section applies as regards any body—
- (a) which is established by or under an Act,
  - (b) which as regards the financial year beginning in 1989 has power (conferred by or under an Act) to levy a rate by reference to the value or yearly value of property, and
  - (c) which is not a charging authority.
- (2) The Secretary of State may by regulations provide as mentioned in one of the following paragraphs as regards any such body—
- (a) that the body shall have no power to levy the rate as regards any time specified in the regulations and falling after 31 March 1990;
  - (b) that the body's power to levy the rate as regards any time specified in the regulations and falling after 31 March 1990 shall be modified in a manner specified in the regulations.
- (3) Regulations providing as mentioned in subsection (2)(b) above as regards a body may include provision—
- (a) as to the property (or description of property) in respect of which the rate may be levied and the property (or description of property) in respect of which the rate may not be levied;
  - (b) as to the body's expenditure, or the proportion of its expenditure, which may be met from the proceeds of the rate.
- (4) Regulations may provide as mentioned in this section in such way as the Secretary of State thinks fit (whether by amending provisions or otherwise).
- (5) In this section "Act" includes a private or local Act.

### **119 Statutory references to rating**

- (1) This section applies in the case of a provision which is made by or under an Act and refers to a rate or a rateable value or any other factor connected with rating.
- (2) The Secretary of State may make regulations providing that the reference shall instead be to some factor other than the one connected with rating.
- (3) The regulations may provide as mentioned in subsection (2) above as regards such provision, or provisions of such description, as may be prescribed.
- (4) The regulations may provide as mentioned in subsection (2) above in such way as the Secretary of State thinks fit (whether by amending provisions or otherwise).
- (5) In this section "Act" includes a private or local Act.

### **120 Refund of overpayments**

Section 9(2) of the 1967 Act (restrictions on refund of overpayments) shall have effect, and be deemed always to have had effect, as if after paragraph (b) there were inserted—

“; or

- (c) if the amount paid was charged in accordance with the understanding generally prevailing at the time when the payment was demanded about the application of the relevant statutory provisions.”

## **121 Valuation according to tone of list**

- (1) Where for the purposes of section 20 of the 1967 Act a hereditament is valued on the basis of the assumptions specified in subsection (1) of that section (basis of valuation for the purposes of a proposal to alter a valuation list to be consistent with the tone of the list), no account shall be taken of a change to which this subsection applies unless it is one which—
  - (a) affects the physical state or physical enjoyment of the hereditament, or
  - (b) affects the physical state of the locality in which the hereditament is situated or, though it does not affect the physical state of the locality, is nonetheless physically manifest there.
- (2) Subsection (1) above applies to any change in the state of the hereditament or the state of the locality in which the hereditament is situated which has occurred since the time by reference to which the value of the hereditament is to be ascertained, other than one relating to a factor which is a relevant factor within the meaning of that section.
- (3) This section shall have effect in relation to any proposal made on or after 10 March 1988 which is outstanding on the passing of this Act but shall not have effect in relation to any proposal made before 10 March 1988.

## **122 Rating of statutory water undertakings**

- (1) The following section shall be substituted for section 31 of the 1967 Act—

### **“31 Statutory water undertakings**

- (1) The rateable values of the hereditaments in any rating district which are occupied, otherwise than as dwellings, for the water purposes of a statutory water undertaking (hereafter in this section and in Schedule 4 to this Act referred to as “water hereditaments” of the undertaking) shall be ascertained in accordance with the provisions of the said Schedule 4.
  - (2) For the purposes of subsection (1) of this section, a hereditament is occupied for the water purposes of a statutory water undertaking if it is occupied for the purposes of any of the undertakers' functions with respect to the supply of water.
  - (3) In this section and the said Schedule 4, references to statutory water undertakers shall be construed in accordance with section 11(6) of the Water Act 1973 (and references to statutory water undertakings shall be construed accordingly).”
- (2) This section shall have effect in relation to any proposal made on or after 10 March 1988 which is outstanding on the passing of this Act but shall not have effect in relation to any proposal made before 10 March 1988.

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### **123 Rating amendments: miscellaneous**

- (1) This subsection applies to a proposal for an alteration of a valuation list which, if made, would have the effect of rating as a non-water hereditament of a statutory water undertaking a hereditament which—
  - (a) was previously so rated but ceased to be so rated by virtue of an alteration made on or after 4 December 1987,
  - (b) was occupied for the purposes of the undertaking at the time of the proposal in pursuance of which the earlier alteration was made, and
  - (c) was not at that time occupied for the purposes of the undertakers' functions with respect to the supply of water.
- (2) This subsection applies to a proposal for an alteration of a valuation list which—
  - (a) would, if made, have the effect of reversing an alteration of the list made on or after 11 February 1988, and
  - (b) would not fall to be made but for section 121 above.
- (3) Where in the case of a proposal to which subsection (1) or (2) above applies there has been, since the making of the proposal in pursuance of which the earlier alteration was made, such a change of circumstances in relation to the hereditament to which the proposal relates as is mentioned in any of paragraphs (a) to (h) of section 68(4) of the 1967 Act, the change of circumstances shall be disregarded for the purposes of dealing with the proposal.
- (4) This subsection applies to an alteration of a valuation list which—
  - (a) is made in pursuance of a proposal to which subsection (1) above applies, or
  - (b) has the effect of reversing an alteration of the list made on or after 11 February 1988 and would not have fallen to be made but for section 121 above.
- (5) An alteration to which subsection (4) above applies shall be deemed to have had effect—
  - (a) if the earlier alteration was made in pursuance of a proposal made before 10 March 1988, from that date, and
  - (b) if the earlier alteration was made in pursuance of a proposal made on or after 10 March 1988, from the date that the earlier alteration had effect,notwithstanding in either case that the date from which the alteration is deemed to have had effect differs from the date provided by section 79(1) of the 1967 Act.
- (6) For the purposes of subsection (1) above, a hereditament is rated as a non-water hereditament of a statutory water undertaking if its value is ascertained otherwise than in accordance with the provisions of Schedule 4 to the 1967 Act.
- (7) In this section, the reference in subsection (1)(c) to statutory water undertakers is a reference to a water authority or statutory water company within the meaning of the Water Act 1973 and “statutory water undertaking” shall be construed accordingly.
- (8) In this section and sections 120 to 122 above—
  - (a) “the 1967 Act” means the General Rate Act 1967,
  - (b) “valuation list” has the meaning assigned by section 115(1) of that Act, and
  - (c) references to the date on which a proposal is made are references to the date on which the proposal is served on the valuation officer or, where the proposal is made by the valuation officer, is served on the occupier of the hereditament to which the proposal relates.

## **124 Rate support grant: abolition**

- (1) No payments by way of rate support grant shall be made for a financial year beginning in or after 1990.
- (2) The Secretary of State may by order repeal any enactment relating to rate support grant.
- (3) If a sum paid to an authority under any provision repealed under subsection (2) above is less than the amount which should have been paid to it under the provision, the Secretary of State shall calculate the amount equal to the difference and pay a sum equal to that amount to the authority.
- (4) If a sum in excess of an amount payable to an authority has been paid under any provision repealed under subsection (2) above, the Secretary of State shall calculate the amount equal to the excess and a sum equal to that amount shall be due from the authority to the Secretary of State.
- (5) If the Secretary of State decides that a sum due under subsection (4) above is to be recoverable by deduction he may deduct a sum equalling (or sums together equalling) that sum from anything the authority is entitled to receive from him (whether by way of revenue support grant or otherwise).
- (6) If the Secretary of State decides that a sum due under subsection (4) above is to be recoverable by payment it shall be payable on such day as he may specify; and if it is not paid on or before that day it shall be recoverable in a court of competent jurisdiction.
- (7) The Secretary of State may decide that a sum due under subsection (4) above is to be recoverable partly by deduction and partly by payment, and in such a case subsections (5) and (6) above shall have effect with appropriate modifications.
- (8) The Secretary of State may decide differently under subsections (5) to (7) above as regards sums due from different authorities or as regards sums due from the same authority in respect of different financial years.

## **125 Transport grants: abolition**

Section 6(1) to (7) of the Local Government Act 1974 (supplementary grants for transport purposes) shall not have effect for a financial year beginning in or after 1990.

## **126 Variation of multipliers in supplementary reports**

- (1) In section 61 of the Local Government, Planning and Land Act 1980 (in this section referred to as “the 1980 Act”) subsection (4A) (which was inserted by paragraph 10 of Schedule 1 to the Rate Support Grants Act 1986 and restricts the scope for the variation of multipliers in supplementary reports) shall cease to have effect.
- (2) If it appears to the Secretary of State that, in a supplementary report under section 61 of the 1980 Act for any year (whether beginning before or after the passing of this Act), he should specify a fresh determination of a multiplier, in place of the determination thereof (in this section referred to as “the earlier determination”) specified in the Rate Support Grant Report or any supplementary report for the year in question, he may make the fresh determination (and any calculation required by section 2(4) of the Rate Support Grants Act 1986) on the basis of such information, assumptions and determinations as he thinks appropriate.

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- (3) Without prejudice to the generality of subsection (2) above, in the exercise of his discretion under that subsection the Secretary of State may disregard any information received or determination made after such time or times as appear to him to be appropriate.
- (4) Expressions used in subsections (2) and (3) above have the same meaning as in Part VI of the 1980 Act and any reference in this section to a multiplier is a reference to a multiplier determined or purported to be determined in exercise of the power conferred by section 59 of the 1980 Act.
- (5) In subsection (4) above the reference to section 59 of the 1980 Act includes a reference to paragraph 5(1) of Schedule 2 to the Local Government Finance Act 1982 (which makes corresponding provision for the Receiver for the Metropolitan Police District).
- (6) Nothing in this section shall be taken to prejudice the generality of the powers of the Secretary of State under subsections (4) and (5) of section 65 of the 1980 Act (powers in relation to matters as to which there is no or no sufficient information and in relation to information which is not submitted in accordance with the requirements of subsection (1) of that section).

#### **127 London Regional Transport grants: amendment**

- (1) No levy under section 13 of the London Regional Transport Act 1984 (contribution to expenditure on grants) shall be made in respect of any time after 31 March 1990.
- (2) The Secretary of State may make regulations providing that subsection (1) above shall have effect subject to prescribed savings.