



Community Charges (General Reduction) Act 1991

1991 CHAPTER 9

An Act to make provision for, and in connection with, a reduction in the amounts of community charges for the financial year beginning on 1st April 1991 and the payment of grants to charging authorities in England and Wales and local authorities in Scotland. [28th March 1991]

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Statutory reduction of community charges: England and Wales

- (1) The amount which, immediately before the relevant day, is the amount set by a charging authority for its personal community charges for the whole or any part of its area for the 1991 financial year shall, by virtue of this section, be reduced by £140 or such lesser sum as will reduce the amount to £0.
- (2) Except as provided by section 2 below, personal community charges of an amount which has been reduced under subsection (1) above shall have effect for all purposes as if they were personal community charges of an amount lawfully set on the relevant day by the charging authority concerned under section 34 of the 1988 Act (in substitution for an amount previously set).
- (3) Except as provided by section 2 below, in this section “the relevant day” means the day following that on which this Act is passed.
- (4) No account shall be taken of any reduction under subsection (1) above in determining whether any amount which, before the relevant day, was set by a charging authority for its personal community charges (for the whole or any part of its area) was set in compliance with any provision made by or under the 1988 Act.

- (5) Notwithstanding anything in the 1988 Act, no person shall be liable to pay any amount in respect of a community charge for any day in the 1991 financial year until there has been served on him a demand (complying with regulations under the 1988 Act) which is expressed to take account of the provisions of this Act.
- (6) Regulations may be made under any provision of the 1988 Act for the purposes of giving effect to, or in consequence of, any provision of this section or section 2 below and any such regulations may have retrospective effect.
- (7) Expressions used in this section and in the 1988 Act have the same meaning in this section as in that Act.

2 Special cases: England and Wales

- (1) In any case where—
 - (a) at any time on, before or after the day on which this Act is passed a charging authority sets an amount for the 1991 financial year under section 32 of the 1988 Act (amount for personal community charges), or
 - (b) at any time on or before the day on which this Act is passed a charging authority sets for the 1991 financial year any amount in substitution under section 34 (power to set substituted amounts) or section 35 (duty to set substituted amounts) of the 1988 Act and that amount is required to be set as mentioned in section 34(2), section 35(3) or section 35(5) of that Act,

the amount shall not be regarded as having been lawfully set if, in the setting of the amount, account was taken of the prospect of any reduction under section 1(1) above or of any grant under section 4 below.
- (2) If the day on which a charging authority sets an amount or amounts under section 32 of the 1988 Act for its personal community charges for the 1991 financial year for the whole or any part of its area falls after the day on which this Act is passed, then, subject to subsection (5) below, the relevant day for the purposes of section 1 above is the day following that on which the amount or amounts is or are so set.
- (3) In any case where,—
 - (a) after the day on which this Act is passed, a charging authority, under section 34, section 35(1) or section 35(4) of the 1988 Act, sets for the 1991 financial year an amount (“the substituted amount”) in substitution for an amount previously set (“the old amount”), and
 - (b) the substituted amount is set in circumstances falling within any of paragraphs (a) to (c) of subsection (4) below,

the old amount shall be taken into account without regard to any reduction under section 1(1) above and, in setting the substituted amount, no account shall be taken of the prospect of any reduction under section 1(1) above or of any grant under section 4 below.
- (4) The circumstances referred to in subsection (3)(b) above are as follows—
 - (a) where the substituted amount is set under section 34 of the 1988 Act and the setting of the old amount was quashed because of a failure to fulfil section 32(3) or section 33(2) of that Act;
 - (b) where the substituted amount falls to be set by virtue of subsection (1) of section 35 of the 1988 Act and the precept giving rise to the application of

that section was issued in substitution for one which was quashed because of a failure to fulfil section 68(3), section 69(3) or section 69(4) of that Act;

- (c) where the substituted amount falls to be set by virtue of subsection (4) of section 35 of the 1988 Act and the calculations giving rise to the application of that subsection were made because a previous calculation under section 95(4) of that Act had been quashed because of a failure to comply with section 95 of that Act in making the calculation.
- (5) In a case where subsection (3) above applies, the relevant day for the purposes of section 1 above shall be taken not to have been that specified in subsection (3) of that section or, as the case may be, that determined under subsection (2) above but shall instead be the day following that on which the substituted amount is set.
- (6) Expressions used in this section and in the 1988 Act have the same meaning in this section as in that Act.

3 Statutory reduction of community charges: Scotland

- (1) The amount determined by a local authority as the amount of their personal community charge in respect of the 1991 financial year shall, by virtue of this section, be reduced by—
- (a) £140, where the authority is an islands council;
 - (b) £110, where the authority is a regional council; and
 - (c) £30, where the authority is a district council.
- (2) The personal community charge as reduced by virtue of this section shall for all purposes have effect and shall be deemed always to have had effect as if it were the personal community charge determined by the local authority under section 9 of the 1987 Act in respect of the 1991 financial year.
- (3) Notwithstanding anything in the 1987 Act, a person shall not be, and shall be deemed never to have been, under any obligation to make payment in respect of his liability for a community charge in respect of the 1991 financial year until there has been issued to him a demand notice which complies with paragraph 2 of Schedule 2 to the 1987 Act as modified by or under subsection (4) below (but nothing in this subsection shall prevent such a demand notice relating to a period prior to its issue).
- (4) In relation to the community charges in respect of the 1991 financial year—
- (a) paragraph 2 of Schedule 2 to the 1987 Act shall have effect so as to require the issue only of demand notices which—
 - (i) take account of the provisions of this Act; and
 - (ii) are expressed to take account of those provisions or are accompanied by a statement to that effect;and the levying authority shall be deemed never to have been required to issue demand notices other than those referred to in this paragraph;
 - (b) the duty in paragraph 2(1) of that Schedule to issue demand notices before a prescribed date shall be construed as a duty to issue such notices as soon as practicable after the day on which this Act is passed;
 - (c) the power in paragraph 2(4) of that Schedule to prescribe the form and content of demand notices shall be construed as including a power to prescribe the form and content of the statement referred to in paragraph (a)(ii) above; and

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

- (d) paragraph 4 of that Schedule shall have effect subject to such modifications (if any) as may be specified in regulations.
- (5) Notwithstanding subsection (2) above, no account shall be taken of the reduction, by virtue of this section, in the amount of a personal community charge in deciding whether any amount which, before 29th January 1991, was determined by the local authority as their personal community charge was determined in compliance with section 9 of the 1987 Act.
- (6) Regulations may be made for the purposes of giving effect to, or in consequence of, any provision of this section and any such regulations may have retrospective effect.
- (7) Section 31(2) and (3) of the 1987 Act shall apply to regulations under this section as if they were regulations under that Act.
- (8) Expressions used in this section and in the 1987 Act have the same meaning in this section as in that Act.

4 Compensatory grants

- (1) For the 1991 financial year, the Secretary of State shall pay to each charging authority and to each local authority a grant of such amount as he may with the consent of the Treasury determine.
- (2) A grant under this section shall be paid at such times, or in instalments of such amounts and at such times, as the Secretary of State may with the consent of the Treasury determine.
- (3) 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 any other matter.
- (4) In determining the amount of a grant under this section, the Secretary of State shall have regard to his estimate of the aggregate of—
 - (a) any amount which, by virtue of section 1 or section 3 above, the authority might reasonably be expected to lose, or to have lost, by way of payments in respect of community charges for the 1991 financial year; and
 - (b) any administrative expenses which the authority might reasonably be expected to incur in consequence of the provisions of this Act.
- (5) There shall be paid out of money provided by Parliament any sums required for the payment by the Secretary of State of grants under this section.
- (6) Any sums received by the Secretary of State in consequence of this section shall be paid into the Consolidated Fund.
- (7) In this section—
 - (a) “charging authority” has the same meaning as in the 1988 Act; and
 - (b) “local authority” has the same meaning as in the 1987 Act.

5 Short title, interpretation and extent

- (1) This Act may be cited as the Community Charges (General Reduction) Act 1991.

- (2) In this Act—
- “the 1987 Act” means the Abolition of Domestic Rates Etc. (Scotland) Act 1987;
 - “the 1988 Act” means the Local Government Finance Act 1988; and
 - “the 1991 financial year” means the year beginning on 1st April 1991.
- (3) Sections 1 and 2 above extend to England and Wales only and section 3 above extends to Scotland only.
- (4) This Act does not extend to Northern Ireland.