



Local Government Finance Act 1992

1992 CHAPTER 14

PART I

COUNCIL TAX: ENGLAND AND WALES

CHAPTER IV

PRECEPTS

Calculations by local precepting authorities

50 Calculation of budget requirement

- (1) In relation to each financial year a local precepting authority shall make the calculations required by this section.
- (2) The authority must calculate the aggregate of—
 - (a) the expenditure the authority estimates it will incur in the year in performing its functions and will charge to a revenue account for the year;
 - (b) such allowance as the authority estimates will be appropriate for contingencies in relation to expenditure to be charged to a revenue account for the year;
 - (c) the financial reserves which the authority estimates it will be appropriate to raise in the year for meeting its estimated future expenditure; and
 - (d) such financial reserves as are sufficient to meet so much of the amount estimated by the authority to be a revenue account deficit for any earlier financial year as has not already been provided for.
- (3) The authority must calculate the aggregate of—
 - (a) the sums which it estimates will be payable to it for the year and in respect of which amounts will be credited to a revenue account for the year, other than sums which it estimates will be so payable in respect of any precept issued by it; and

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- (b) the amount of the financial reserves which the authority estimates that it will use in order to provide for the items mentioned in paragraphs (a) and (b) of subsection (2) above.
- (4) If the aggregate calculated under subsection (2) above exceeds that calculated under subsection (3) above, the authority must calculate the amount equal to the difference; and the amount so calculated shall be its budget requirement for the year.
- (5) For the purposes of subsection (2)(c) above an authority's estimated future expenditure is—
 - (a) that which the authority estimates it will incur in the financial year following the year in question, will charge to a revenue account for the year and will have to defray in the year before the following sums are sufficiently available, namely, sums—
 - (i) which will be payable to it for the year; and
 - (ii) in respect of which amounts will be credited to a revenue account for the year; and
 - (b) that which the authority estimates it will incur in the financial year referred to in paragraph (a) above or any subsequent financial year in performing its functions and which will be charged to a revenue account for that or any other year.
- (6) References in this section to expenditure incurred by an authority shall be construed in accordance with section 41(3) of the Local Government and Housing Act 1989.

51 Substitute calculations

- (1) A local precepting authority which has made calculations in accordance with section 50 above in relation to a financial year (originally or by way of substitute) may make calculations in substitution in relation to the year in accordance with that section.
- (2) None of the substitute calculations shall have any effect if the amount calculated under section 50(4) above would exceed that so calculated in the previous calculations.
- (3) Subsection (2) above shall not apply if the previous calculation under subsection (4) of section 50 above has been quashed because of a failure to comply with that section in making the calculation.