



Local Government Finance Act 1992

1992 CHAPTER 14

PART I

COUNCIL TAX: ENGLAND AND WALES

CHAPTER III

SETTING OF COUNCIL TAX

The requisite calculations

[^{F1}31A Calculation of council tax requirement by authorities in England

- (1) In relation to each financial year a billing authority in England must make the calculations required by this section.
- (2) The authority must calculate the aggregate of—
 - (a) the expenditure which the authority estimates it will incur in the year in performing its functions and will charge to a revenue account, other than a BID Revenue Account, for the year in accordance with proper practices,
 - (b) such allowance as the authority estimates will be appropriate for contingencies in relation to amounts to be charged or credited to a revenue account for the year in accordance with proper practices,
 - (c) the financial reserves which the authority estimates it will be appropriate to raise in the year for meeting its estimated future expenditure,
 - (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,
 - [^{F2}(da) any amounts which it estimates will be transferred in the year from its general fund to its collection fund in accordance with regulations under section 97(2B) of the 1988 Act,]

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- (e) any amounts which it estimates will be transferred in the year from its general fund to its collection fund in accordance with section 97(4) of the 1988 Act, and
 - (f) any amounts which it estimates will be transferred from its general fund to its collection fund pursuant to a direction under section 98(5) of the 1988 Act and charged to a revenue account for the year.
- (3) The authority must calculate the aggregate of—
- (a) the income which it estimates will accrue to it in the year and which it will credit to a revenue account, other than a BID Revenue Account, for the year in accordance with proper practices,
 - ^{F3}(aa) [any amounts which it estimates will be transferred in the year from its collection fund to its general fund in accordance with regulations under section 97(2A) of the 1988 Act,]
 - (b) any amounts which it estimates will be transferred in the year from its collection fund to its general fund in accordance with section 97(3) of the 1988 Act,
 - (c) any amounts which it estimates will be transferred from its collection fund to its general fund pursuant to a direction under section 98(4) of the 1988 Act and will be credited to a revenue account for the year, and
 - (d) the amount of the financial reserves which the authority estimates it will use in order to provide for the items mentioned in subsection (2)(a), (b), (e) and (f) 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 is to be its council tax requirement for the year.
- (5) In making the calculation under subsection (2) above the authority must ignore^{F4}—
- (a) payments which must be met from its collection fund under section 90(2) of the 1988 Act or from a trust fund^{F5}, and
 - (b) subject to paragraphs (da), (e) and (f) of subsection (2) above, sums which have been or are to be transferred from its general fund to its collection fund.]
- (6) In estimating under subsection (2)(a) above the authority must take into account—
- (a) the amount of any expenditure which it estimates it will incur in the year in making any repayments of grants or other sums paid to it by the Secretary of State, and
 - (b) the amount of any precept issued to it for the year by a local precepting authority and the amount of any levy or special levy issued to it for the year.
- (7) But (except as provided by regulations under section 41 below or regulations under section 74 or 75 of the 1988 Act) the authority must not anticipate a precept, levy or special levy not issued.
- (8) 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 in accordance with proper practices and will have to defray in the year before the following sums are sufficiently available—

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- (i) sums which will be payable for the year into its general fund and in respect of which amounts will be credited to a revenue account for the year in accordance with proper practices, and
 - (ii) sums which will be transferred as regards the year from its collection fund to its general fund, 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 in accordance with proper practices.
- (9) In making the calculation under subsection (3) above the authority must ignore—
- (a) payments which must be made into its collection fund under section 90(1) of the 1988 Act or to a trust fund, and
 - (b) subject to paragraphs [^{F6}(aa),] (b) and (c) of subsection (3) above, sums which have been or are to be transferred from its collection fund to its general fund.
- (10) The Secretary of State may by regulations do either or both of the following—
- (a) alter the constituents of any calculation to be made under subsection (2) or (3) above (whether by adding, deleting or amending items);
 - (b) alter the rules governing the making of any calculation under subsection (2) or (3) above (whether by deleting or amending subsections (5) to (9) above, or any of them, or by adding other provisions, or by a combination of those methods).
- (11) Calculations to be made in relation to a particular financial year under this section must be made before 11th March in the preceding financial year, but they are not invalid merely because they are made on or after that date.
- (12) This section is subject to section 52ZS below (which requires a direction to a billing authority that the referendum provisions in Chapter 4ZA are not to apply to the authority for a financial year to state the amount of the authority's council tax requirement for the year).
- (13) In this section “**BID Revenue Account**” has the same meaning as in Part 4 of the Local Government Act 2003.]

Textual Amendments

- F1** Ss. 31A, 31B inserted (3.12.2011) by [Localism Act 2011 \(c. 20\)](#), **ss. 74, 240(2)**; [S.I. 2011/2896](#), **art. 2(g)**
- F2** S. 31A(2)(da) inserted (27.3.2013) by [The Local Government Finance Act 2012 \(Consequential Amendments\) Order 2013 \(S.I. 2013/733\)](#), **arts. 1, 2(2)(a)**
- F3** S. 31A(3)(aa) inserted (27.3.2013) by [The Local Government Finance Act 2012 \(Consequential Amendments\) Order 2013 \(S.I. 2013/733\)](#), **arts. 1, 2(2)(b)**
- F4** Word in s. 31A(5) inserted (with effect in accordance with art. 1(2)(3) of the amending S.I.) by [The Localism Act 2011 \(Consequential Amendments\) Order 2014 \(S.I. 2014/389\)](#), **art. 2(a)**
- F5** S. 31A(5)(b) and word inserted (with effect in accordance with art. 1(2)(3) of the amending S.I.) by [The Localism Act 2011 \(Consequential Amendments\) Order 2014 \(S.I. 2014/389\)](#), **art. 2(b)**
- F6** Word in s. 31A(9)(b) inserted (27.3.2013) by [The Local Government Finance Act 2012 \(Consequential Amendments\) Order 2013 \(S.I. 2013/733\)](#), **arts. 1, 2(2)(c)**

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Modifications etc. (not altering text)

- C1** Pt. 1 Ch. 3 modified (7.12.2011 for specified purposes, 3.5.2012 in so far as not already in force) by [The Swansea \(Communities\) Order 2011 \(S.I. 2011/2932\)](#), art. 1(2)(3), **22(4)**
- C2** S. 31A applied (with modifications) (2.1.2019) by [The Local Government \(Structural and Boundary Changes\) \(Amendment\) Regulations 2018 \(S.I. 2018/1296\)](#), regs. 1, **20(1)**

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act applied (with modifications) by [S.I. 2010/875 reg. 16Sch. 2](#) (This amendment not applied to [legislation.gov.uk](#). The amending S.I. was revoked before ever coming into force by [S.I. 2010/1906, reg. 2](#))

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 6(2)(ea) inserted by [2012 c. 17 s. 13\(1\)](#)