



Local Government Finance Act 1988

1988 CHAPTER 41

PART VI

FUNDS

Calculations

95 Calculations to be made by authorities.

(1) In relation to each chargeable financial year a charging authority shall make the calculations required by this section.

[^{F1}(2) The authority must calculate the aggregate of—

- (a) the expenditure the authority estimates it will incur in the year in performing its functions in the year 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 the estimated expenditure referred to in subsection (2A) below;
- (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; and
- (e) any amounts it estimates will be charged to a revenue account in respect of the authority's general fund or City fund, as the case may be, by virtue of a transfer,—
 - (i) pursuant to regulations under section 89(5) above, of such an additional sum as is referred to in subsection (3)(d) of section 98 below; or
 - (ii) pursuant to a direction under subsection (5) of that section, of such an amount as is referred to in that subsection.

(2A) The estimated expenditure referred to in subsection (2)(c) above is—

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- (a) that which the authority estimates that, in the financial year following the year in question, it will incur, will charge to a revenue account and will have to defray before sums to be transferred as regards that year from its collection fund to its general fund or to the City fund (as the case may be) become sufficiently available; 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.
- (2B) References in subsections (2) and (2A) above to expenditure incurred by the authority shall be construed in accordance with section 41(3) of the Local Government and Housing Act 1989.]
- (3) The authority must calculate the aggregate of
- [^{F2}(a) the sums which it estimates will be payable for the year into its general fund or into the City fund (as the case may be) and in respect of which amounts are to be credited to a revenue account for the year;
 - (b) the amounts which it estimates will be transferred from its collection fund to its general fund or the City fund (as the case may be) pursuant to a direction under section 98(4) below and credited to a revenue account for the year; and
 - (c) 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), (b) and (e) 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.
- (5) In making the calculation under subsection (2) above the authority must ignore payments which must be met from its collection fund under section 90(2) or (4) above or from a trust fund.
- (6) In estimating under subsection (2)(a) above the authority shall take into account the amount of any levy or special levy issued to it for the year but (except as provided by regulations under section 74 or 75 above) shall not anticipate a levy or special levy not issued.
- (7) In making the calculation under subsection (3) above the authority must ignore sums which [^{F3}in accordance with section 97 below] have been or are to be transferred from its collection fund to its general fund or to the City fund (as the case may be).
- (8) The Secretary of State may by regulations do one 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 (7) above, or any of them, or by adding other provisions, or by a combination of those methods).
- (9) Calculations to be made in relation to a particular financial year under this section must be made before 11 March in the preceding financial year, but they are not invalid merely because they are made on or after that date.

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Textual Amendments

- F1** S. 95 subsections (2)–(2B) substituted for subsection (2) by [Local Government and Housing Act 1989 \(c. 42, SIF 81:1\)](#), s. 139, [Sch. 5 para. 63\(1\)](#)
- F2** S. 95(3)(a)–(c) substituted by [Local Government and Housing Act 1989 \(c. 42, SIF 81:1\)](#), s. 139, [Sch. 5 para. 63\(2\)](#)
- F3** Words inserted by [Local Government and Housing Act 1989 \(c. 42, SIF 81:1\)](#), s. 139, [Sch. 5 para. 63\(3\)](#)

Modifications etc. (not altering text)

- C1** S. 95(2) modified by [S.I. 1990/72](#), [reg. 14\(2\)\(3\)](#)
- C2** S. 95(2)(a) amended by [S.I. 1990/70](#), [reg. 11\(3\)](#) and by [S.I. 1990/71](#), [reg. 12\(3\)](#)
- C3** S. 95(2)(a) modified by [S.I. 1990/70](#), [art. 11\(4\)](#), by [S.I. 1990/71](#), [reg. 12\(2\)–\(4\)](#), by [S.I. 1990/72](#), [reg. 14\(6\)](#) and by [S.I. 1990/118](#), [reg. 10\(2\)–\(4\)](#)

96 Substitute calculations.

- (1) An authority which has made calculations in accordance with section 95 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, ignoring section 95(9) for this purpose.
- (2) None of the substitute calculations shall have any effect if the amount calculated under section 95(4) would exceed that so calculated in the previous calculations.
- (3) But subsection (2) above shall not apply if the previous calculation under section 95(4) has been quashed because of a failure to comply with section 95 in making the calculation.

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