

## SCHEDULES

### SCHEDULE 10

#### LOCAL GOVERNMENT FINANCE: ENGLAND AND WALES

#### PART III

#### FUNDS

- 19 In subsection (1) of section 89 of the 1988 Act (collection funds), for the words “charging authority” there shall be substituted the words “billing authority”.
- 20 For section 90 of the 1988 Act there shall be substituted the following section—

#### “90 Payments to and from collection funds

- (1) The following shall be paid into the collection fund of a billing authority—
- (a) sums received by the authority in respect of council tax set by it in accordance with section 30 of the Local Government Finance Act 1992 (but not sums received by way of penalty),
  - (b) sums received by the authority from any major precepting authority under regulations made under section 99(3) below,
  - (c) sums received by the authority in respect of any non-domestic rate under this Act,
  - (d) sums received by the authority under paragraph 5(10) or (14) of Schedule 8 below or regulations made under paragraph 5(15) or 6(5) of that Schedule, and
  - (e) any other sums which the Secretary of State specifies are to be paid into a billing authority’s collection fund.
- (2) The following payments shall be met from the collection fund of a billing authority—
- (a) payments to be made by the authority in respect of the amount of any precept issued by a major precepting authority under Part I of the Local Government Finance Act 1992 (but not payments to be so made in respect of interest on such an amount),
  - (b) payments to be made by the authority to any major precepting authority under regulations made under section 99(3) below,
  - (c) payments to be made by the authority to the Secretary of State under paragraph 5 of Schedule 8 below or regulations made under subparagraph (15) of that paragraph,
  - (d) payments to be made by the authority to another person in repaying, under regulations under this Act or Part I of the Local Government Finance Act 1992, excess receipts by way of non-domestic rates or of council tax, and

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- (e) any other payments which are to be made by the authority to another person and which the Secretary of State specifies are to be met from a billing authority’s collection fund.
- (3) The power to specify under this section—
  - (a) includes power to revoke or amend a specification made under the power;
  - (b) may be exercised differently in relation to different authorities.”
- 21 Sections 95 and 96 of the 1988 Act (calculations and substitute calculations to be made by authorities) shall cease to have effect.
- 22 For section 97 of the 1988 Act there shall be substituted the following section—

**“97 Principal transfers between funds**

- (1) Subject to subsection (2) below, a billing authority which has made calculations in accordance with sections 32 to 36 of the Local Government Finance Act 1992 (originally or by way of substitute) shall transfer from its collection fund to its general fund an amount which shall be calculated by applying the formula—
 
$$B \times T$$

where—

  - B is the amount calculated (or last calculated) by the authority under section 33(1) of that Act as the basic amount of its council tax;
  - T is the amount determined for item T in section 33(1) of that Act.
- (2) Where the amount given by subsection (1) above is a negative amount, the authority shall transfer the equivalent positive amount from its general fund to its collection fund.
- (3) Where in accordance with regulations under section 99(3) below a billing authority has estimated that there is a surplus in its collection fund for the preceding year, it shall transfer from its collection fund to its general fund an amount equal to so much of the surplus as, in accordance with the regulations, the authority calculates to be its share.
- (4) Where in accordance with regulations under section 99(3) below a billing authority has estimated that there is a deficit in its collection fund for the preceding year, it shall transfer from its general fund to its collection fund an amount equal to so much of the deficit as, in accordance with the regulations, the authority calculates must be borne by it.
- (5) In this section and sections 98 and 99 below, any reference to a billing authority’s general fund shall be construed in relation to the Common Council as a reference to the City fund.”
- 23 (1) In section 98 of the 1988 Act (other transfers between funds), the following shall cease to have effect, namely—
  - (a) subsections (1) and (2);
  - (b) in subsection (3), in paragraph (a), the words “or to the City fund (as the case may be)”, in paragraph (c), the words “or from the City fund (as the case may be)”, and paragraph (d);
  - (c) in subsection (4), the words “or to the City fund (as the case may be)”; and

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- (d) in subsection (5), the words “or from the City fund (as the case may be)”.
- (2) In subsections (4) and (5) of that section, for the words “charging authority” there shall be substituted the words “billing authority”.
- (3) In subsection (6) of that section, for the words “subsection (1), (4) or (5)” there shall be substituted the words “subsection (4) or (5)”.
- 24 For section 99 of the 1988 Act there shall be substituted the following section—

**“99 Regulations about funds**

- (1) The Secretary of State may make regulations about the discharge of the following liabilities of a billing authority—
- (a) the liability to pay anything from its collection fund or its general fund in respect of any precept issued by a major or local precepting authority under Part I of the Local Government Finance Act 1992;
  - (b) the liability to transfer anything from its collection fund under section 97(1) or (3) above; and
  - (c) the liability to transfer anything from its general fund under section 97(2) or (4) above.
- (2) The regulations may include provision—
- (a) that anything falling to be paid or transferred must be paid or transferred within a prescribed period;
  - (b) that anything falling to be paid or transferred must be paid or transferred in instalments of such amounts, and at such times, as are determined by the billing authority in accordance with prescribed rules;
  - (c) that the billing authority must inform any precepting authorities when instalments will be paid and how they are to be calculated;
  - (d) that if an instalment is not paid to a precepting authority in accordance with the regulations, it is to be entitled to interest on the amount of the instalment;
  - (e) as to the circumstances in which the billing authority is to be treated as having discharged the liabilities mentioned in subsection (1) above;
  - (f) as to the recovery (by deduction or otherwise) of any excess amount paid by the billing authority to any precepting authority in purported discharge of the liability mentioned in subsection (1)(a) above; and
  - (g) as to the transfer back of any excess amount transferred by the billing authority in purported discharge of the liability mentioned in subsection (1)(b) or (c) above.
- (3) The Secretary of State may by regulations make provision as regards any financial year—
- (a) that a billing authority must estimate at a prescribed time in the preceding financial year and in accordance with prescribed rules whether there is a deficit or surplus in its collection fund for that year and, if so, the amount of the deficit or surplus;
  - (b) that any surplus or deficit so estimated shall in the financial year concerned—

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- (i) be shared among, or be borne between, the billing authority and major precepting authorities in accordance with prescribed rules; or
    - (ii) in the case of the financial year beginning in 1993, belong solely to, or be borne solely by, the billing authority;
  - (c) that the billing authority must within a prescribed period inform any major precepting authorities of the effects of any estimates and rules mentioned in paragraphs (a) and (b) above;
  - (d) as to the manner in which any payments which fall to be made by a billing authority or a major precepting authority by virtue of any provision included in regulations under paragraph (a) or (b) above must be made;
  - (e) as to the period within which, or time or times at which, any such payments or instalments of such payments must be made; and
  - (f) as to the recovery (by deduction or otherwise) of any excess amount paid by a major precepting authority or a billing authority in purported discharge of any liability arising by virtue of any provision included in regulations under paragraph (a) or (b) above.
- (4) The Secretary of State may make regulations requiring transfers between funds, or adjustments or assumptions, to be made to take account of any substitute calculation under section 32(4) of the Local Government Finance Act 1992.
- (5) The Secretary of State may make regulations providing that sums standing to the credit of a billing authority's collection fund at any time in a financial year must not exceed a total to be calculated in such manner as may be prescribed.
- (6) Regulations under subsection (5) above in their application to a particular financial year (including regulations amending others) shall not be effective unless they come into force before 1 January in the preceding financial year; but this does not affect regulations which merely revoke others."