



# Local Government Finance Act 1992

## 1992 CHAPTER 14

### PART I

#### COUNCIL TAX: ENGLAND AND WALES

### CHAPTER V

#### LIMITATION OF COUNCIL TAX AND PRECEPTS

##### *Designation*

#### **54 Power to designate authorities.**

- (1) As regards a financial year the Secretary of State may designate an authority if in his opinion—
  - (a) the amount calculated by it as its budget requirement for the year is excessive; or
  - (b) there is an excessive increase in the amount so calculated over the amount calculated by it as its budget requirement for the preceding financial year.
- (2) A decision whether to designate an authority shall be made in accordance with principles determined by the Secretary of State and, in the case of an authority falling within any of the classes specified in subsection (3) below, those principles shall be the same either—
  - (a) for all authorities falling within that class; or
  - (b) for all of them which respectively have and have not been designated under this Chapter, or (as the case may be) Part VII of the 1988 Act, as regards the preceding financial year.
- (3) The classes are—
  - (a) councils of metropolitan districts;
  - (b) councils of non-metropolitan districts;

*Status: Point in time view as at 06/03/1992.*

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- (c) councils of inner London boroughs;
  - (d) councils of outer London boroughs;
  - (e) county councils;
  - (f) metropolitan county police authorities and the Northumbria Police Authority;  
and
  - (g) metropolitan county fire and civil defence authorities.
- (4) Subject to subsection (6) below, any reference in subsection (1) above to the amount calculated by a billing authority as its budget requirement for a financial year shall be construed as a reference to the amount so calculated less the aggregate amount for the year of any precepts—
- (a) issued to it by local precepting authorities; or
  - (b) anticipated by it in pursuance of regulations under section 41 above,  
which were taken into account by it in making the calculation under section 32(2) above.
- (5) In construing subsection (1) above any calculation for which another has been substituted at the time designation is proposed shall be ignored.
- (6) The Secretary of State may by order provide that subsection (4) above shall not apply in relation to—
- (a) any financial year specified in the order; or
  - (b) any other financial year in so far as it provides the basis of comparison for the purposes of subsection (1)(b) above in relation to a year so specified.
- (7) A statutory instrument containing an order under this section shall be subject to annulment in pursuance of a resolution of the House of Commons.

**Modifications etc. (not altering text)**

**C1** S. 54(4) modified (E.) (1.2.1993) by S.I. 1993/22, art. 3(3)(c)

**55 Special transitional provisions.**

- (1) The Secretary of State may specify in a report—
- (a) as regards the financial year beginning in 1993 and any authority; or
  - (b) as regards any subsequent financial year and any authority whose boundaries or functions have changed or will change at any time during the period consisting of that year and the preceding financial year,  
the relevant notional amount, that is, the amount which in his opinion should be used as the basis of comparison for the purposes of section 54(1)(b) above in place of the basis of comparison there referred to.
- (2) A report under this section—
- (a) shall contain such explanation as the Secretary of State considers desirable of the calculation by him of the relevant notional amount; and
  - (b) shall be laid before the House of Commons.
- (3) A report under this section may relate to two or more authorities and may be amended by a subsequent report under this section.

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- (4) If a report under this section is approved by resolution of the House of Commons, section 54(1)(b) above shall have effect, as regards the year and any authority to which the report relates, as if the relevant notional amount were the basis of comparison there referred to.

## **56 Designation of authorities.**

- (1) If the Secretary of State decides under section 54 above to designate an authority he shall notify it in writing of—
- (a) his decision;
  - (b) the principles determined under subsection (2) of that section in relation to it; and
  - (c) the amount which he proposes should be the maximum for the amount calculated by it as its budget requirement for the year.
- (2) A designation—
- (a) is invalid unless subsection (1) above is complied with; and
  - (b) shall be treated as made at the beginning of the day on which the authority receives a notification under that subsection.
- (3) Where—
- (a) an authority has been designated under this section; and
  - (b) after the designation is made the authority makes substitute calculations in relation to the year,
- the substitute calculations shall be invalid unless they are made in accordance with section 60 or (as the case may be) section 61 below.
- (4) Before the end of the period of 28 days beginning with the day it receives a notification under this section, an authority may inform the Secretary of State by notice in writing that—
- (a) for reasons stated in the notice, it believes the maximum amount stated under subsection (1)(c) above should be such as the authority states in its notice; or
  - (b) it accepts the maximum amount stated under subsection (1)(c) above.
- (5) References in the following provisions of this Chapter to a designated authority are to an authority designated under this section.

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