



Local Government Finance Act 1992

1992 CHAPTER 14

PART II

COUNCIL TAX: SCOTLAND

Setting of the tax

93 Setting of council tax

- (1) In respect of the financial year 1993-94 and each subsequent financial year, a local authority shall—
 - (a) set an amount of regional, islands or district council tax, as appropriate, to be paid in respect of a chargeable dwelling in their area listed in valuation band D (whether or not there is such a dwelling in their area) as specified in section 74(2) above;
 - (b) determine the amount of council tax to be paid in respect of a chargeable dwelling in each of the other valuation bands specified in that section in accordance with the proportion mentioned in subsection (1) of that section,and references in this Part to the setting of a council tax or of an amount of council tax shall be construed as references to the setting of the amount mentioned in paragraph (a) above.
- (2) A local authority shall set its council tax before 11th March in the financial year preceding that for which it is set but it is not invalid merely because it is set on or after that date.
- (3) The amounts mentioned in paragraphs (a) and (b) of subsection (1) above shall be such as will provide sufficient money to meet such part of the total estimated expenses to be incurred by that authority during the financial year in respect of which the amount is set as falls to be met out of their council tax, together with such additional sum as is, in their opinion, required—
 - (a) to cover expenses previously incurred;
 - (b) to meet contingencies;

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- (c) to meet any expenses which may fall to be met before the money to be received in respect of their council tax for the next following financial year will become available.
- (4) In calculating, for the purposes of subsection (3) above, such part of the total estimated expenses to be incurred by a local authority as falls to be met out of council tax, account shall be taken of any means by which those expenses may otherwise be met or provided for.

94 Substituted and reduced settings

- (1) Subject to subsection (3) below, a local authority may set, in substitution for an amount of council tax already set or deemed to have been set, a lesser amount of council tax for the same financial year.
- (2) Schedule 7 to this Act has effect for the purpose of making provision as to the reduction of council tax where the Secretary of State is satisfied, in accordance with that Schedule, that the total estimated expenses mentioned in section 93(3) above of a local authority are excessive or that an increase in those expenses is excessive.
- (3) A local authority may not set a substitute amount of council tax during the period between the approval by the House of Commons of a report in respect of that authority made by the Secretary of State under paragraph 1 of that Schedule and the setting or deemed setting of a reduced amount of council tax under paragraph 3 of that Schedule.
- (4) Section 93(2) above shall not apply for the purposes of this section.
- (5) A local authority who, in respect of any financial year, set (or are deemed to have set) a substituted or reduced council tax shall neither wholly nor partially offset the difference between—
 - (a) the amount produced by that substituted or reduced setting; and
 - (b) the amount which would have been produced had they not substituted or reduced their setting,
 with sums advanced from their loans fund established under Schedule 3 to the 1975 Act:

Provided that such offsetting may nevertheless be permitted by the Secretary of State in any case on such terms and conditions as he considers appropriate.
- (6) If the Secretary of State is of the opinion that subsection (5) above, or any term or condition imposed under the proviso thereto, has been contravened, the local authority shall, on such opinion being intimated to them, reimburse their loans fund forthwith or within such time as the Secretary of State may allow.
- (7) Anything paid by reference to one setting of council tax shall be treated as paid by reference to a substitute setting under subsection (1) above or a reduced setting or deemed setting by virtue of paragraph 3 of Schedule 7 to this Act.
- (8) Where a person has paid by reference to one setting of council tax more than is due under a substituted or reduced setting—
 - (a) the balance shall be repaid to the person if he so requires;
 - (b) in any other case the balance shall (as the levying authority determine) either be repaid to the person or be credited against any subsequent liability of the person to pay in respect of any council tax due to the authority.

(9) Where—

- (a) a substitute amount of council tax has been set under subsection (1) above; or
- (b) a reduced amount of council tax has been set or been deemed to have been set under paragraph 3 of that Schedule,

the regional council shall levy and collect that substituted or reduced amount in place of the previous amount of council tax and may recover from the district council any administrative expenses incurred in so doing in relation to a substituted or reduced amount of district council tax.

95 District council tax: setting and collection

- (1) In relation to each financial year, a regional council shall estimate the amount which would be produced by each of the district council taxes for that year in each district in their region as that amount falls to be ascertained in pursuance of regulations made under subsection (6) below.
- (2) For the purpose of making the estimate mentioned in subsection (1) above, the regional council shall assume that in respect of the financial year concerned both the regional council and the district council set £1, or such other amount as may be prescribed, as the amount mentioned in section 93(1)(a) above.
- (3) The regional council shall, before such date as may be prescribed in relation to each financial year, notify the council of each district in their region of the estimate made under subsection (1) above in relation to that district for that financial year.
- (4) In respect of the financial year 1993-94 and each subsequent financial year, every district council shall, within two days of the date mentioned in section 93(2) above, intimate to the regional council within whose region their district falls—
 - (a) the amount of district council tax they have set; and
 - (b) such further information with respect to the district council tax as may reasonably be needed by the regional council for the purpose of issuing notices in accordance with regulations made under paragraph 2 of Schedule 2 to this Act.
- (5) A regional council shall be liable to pay to the council of each district in their region, in respect of the district council tax for any financial year, the amount produced in the district by that tax; and shall, in accordance with such arrangements as may be prescribed, make payments to the district council on account of that liability.
- (6) For the purposes of subsection (5) above, the amount produced in a district by the district council tax for a financial year shall, subject to subsection (7) below, be ascertained after the end of that year in such manner as may be prescribed, and—
 - (a) if that amount exceeds the aggregate amount of payments on account made under subsection (5) above, the balance shall be paid by the regional council to the district council; and
 - (b) if that amount is less than the said aggregate amount, the balance shall be set off against payments on account under subsection (5) above in respect of the next following financial year.
- (7) The Secretary of State may prescribe what deductions are to be made in estimating and ascertaining the amount produced by each of the regional and district council taxes levied by a regional council.

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- (8) There shall be taken into account, in the calculation of the amount which a regional council are liable, under subsection (5) above, to pay to a district council, the amount of any council tax and council water charge which has been collected by the district council under paragraph 19 of Schedule 2 to this Act and is due but has not been paid to the regional council.
- (9) The amount which a regional council are liable to pay under subsection (5) above to a district council shall, if not paid by such date as may be prescribed, attract interest at such rate as may be prescribed.

96 Information

- (1) Within 21 days after setting a council tax, a local authority shall publish in at least one newspaper circulating in their area a notice of—
 - (a) the provision of this Act under which the council tax has been set; and
 - (b) the amounts payable in respect of chargeable dwellings in each valuation band.
- (2) Failure to comply with subsection (1) above does not make the setting of an amount invalid.