



# Local Government Finance Act 1992

## 1992 CHAPTER 14

### PART I

#### COUNCIL TAX: ENGLAND AND WALES

### CHAPTER III

#### SETTING OF COUNCIL TAX

##### *The requisite calculations*

### 32 Calculation of budget requirement [<sup>F1</sup>by authorities in Wales].

- (1) In relation to each financial year a billing authority [<sup>F2</sup>in Wales] shall make the calculations required by this section.
- (2) The authority must calculate the aggregate of—
  - [<sup>F3</sup>(a) the expenditure which the authority estimates it will incur in the year in performing its functions and will charge to a revenue account for the year;]
  - [<sup>F4</sup>(aa) the expenditure that the authority estimates it will incur in the year in making repayments of—
    - (i) grant paid to it by the Secretary of State or the Welsh Ministers, or
    - (ii) amounts paid to it by the Welsh Ministers in respect of redistributed non-domestic rates;]
  - (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 its estimated future expenditure; [<sup>F5</sup>and]
  - (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; <sup>F6</sup>...
  - <sup>F7</sup>(e) .....

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[<sup>F8</sup>(2A) The expenditure mentioned in subsection (2)(a) does not include expenditure which the authority estimates it will charge to a BID Revenue Account.]

(3) The authority must calculate the aggregate of—

(a) the sums which it estimates will be payable for the year into its <sup>F9</sup> ... [<sup>F10</sup> council fund] and in respect of which amounts will be credited to a revenue account for the year, other than sums which it estimates will be so payable in respect of redistributed non-domestic rates, [<sup>F11</sup>BID levy or financial contribution made under section 43 of the Local Government Act 2003,] revenue support grant, [<sup>F12</sup>its council tax reduction scheme,] additional grant [<sup>F13</sup>or [<sup>F14</sup>special grant]<sup>F15</sup> ...];

[<sup>F16</sup>(aa) the sums that it estimates will be payable to it for an earlier financial year in respect of—

- (i) redistributed non-domestic rates,
- (ii) revenue support grant, or
- (iii) additional grant;]

[<sup>F17</sup>(b) .....

(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) [<sup>F18</sup>and (b)] of subsection (2) above.

[<sup>F19</sup>(3A) <sup>F20</sup>... subsection (3)(a) above does not require the estimation of sums payable into [<sup>F21</sup>a billing authority's] council fund in respect of council tax or [<sup>F22</sup>non-domestic rates or the grant paid to them under section 88A of the Local Government Finance Act 1988].]

(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 shall be its budget requirement for the year.

[<sup>F23</sup>(5) In making the calculation under subsection (2) above the authority must ignore—

- (a) payments which must be met from a trust fund;
- (b) payments to be made to the [<sup>F24</sup>Welsh Ministers] under paragraph 5 of Schedule 8 to the 1988 Act or regulations made under paragraph 5(15) of that Schedule;
- (c) payments to be made in respect of the amount of any precept issued by a major precepting authority under Part 1 of this Act (but not payments to be so made in respect of interest on such an amount); and
- (d) payments to be made to another person in repaying, under regulations under the 1988 Act or Part 1 of this Act, excess receipts by way of non-domestic rates or council tax.]

(6) In estimating under subsection (2)(a) above the authority shall take into account—

- (a) the amount of any precept issued to it for the year by a local precepting authority; and
- (b) the amount of any levy or special levy issued to it for the year;

but (except as provided by regulations under section 41 below or regulations under section 74 or 75 of the 1988 Act) shall not anticipate a precept, levy or special levy not issued.

[<sup>F25</sup>(6A) .....

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(7) 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 and will have to defray in the year before the following sums are sufficiently available, namely—

(i) sums which will be payable for the year into its <sup>F26</sup>... [<sup>F27</sup>council fund] and in respect of which amounts will be credited to a revenue account for the year; and

<sup>F28</sup>(ii) .....

(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.

<sup>F29</sup>(8) .....

<sup>F29</sup>(8A) .....

<sup>F29</sup>(8B) .....

(9) The [<sup>F30</sup>Welsh Ministers] 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 [<sup>F31</sup>(7)] above, or any of them, or by adding other provisions, or by a combination of those methods).

[<sup>F32</sup>(9A) A statutory instrument containing regulations under subsection (9) is subject to annulment in pursuance of a resolution of Senedd Cymru.]

(10) 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.

<sup>F33</sup>(11) .....

[<sup>F34</sup>(12) In this section and section 33—

(a) references to sums payable for a financial year in respect of redistributed non-domestic rates are to sums so payable in accordance with the local government finance report for the year under section 84G of the 1988 Act relating to the authority (including as amended by a report under paragraph 13 of Schedule 8 to that Act);

(b) references to sums payable for a financial year in respect of revenue support grant are to sums so payable in accordance with the local government finance report for the year under section 84G of the 1988 Act (including as amended by a report under section 84L of that Act);

(c) references to sums payable for a financial year in respect of an authority's council tax reduction scheme are to sums payable by the Welsh Ministers under section 31 of the Local Government Act 2003 in respect of a scheme which applies in accordance with regulations under section 13A or in default

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in accordance with regulations under section 13A of, and paragraph 6 of Schedule 1B;

- (d) references to sums payable for a financial year in respect of additional grant are to sums so payable in accordance with a report for the year under section 86A of the 1988 Act; and
- (e) references to sums payable for a financial year in respect of special grant are to sums payable in the year in accordance with a special grant report under section 88C of the 1988 Act.]

[<sup>F35</sup>(12A) “BID levy” and “BID Revenue Account” have the meaning given in Part 4 of the Local Government Act 2003.]

### Textual Amendments

- F1** Words in s. 32 heading inserted (3.12.2011) by [Localism Act 2011 \(c. 20\)](#), s. 240(2), **Sch. 7 para. 10(2)**; S.I. 2011/2896, art. 2(i)
- F2** Words in s. 32(1) inserted (3.12.2011) by [Localism Act 2011 \(c. 20\)](#), s. 240(2), **Sch. 7 para. 10(3)**; S.I. 2011/2896, art. 2(i)
- F3** S. 32(2)(a) substituted (W.) (28.2.2013) by [The Local Authorities \(Alteration of Requisite Calculations\) \(Wales\) Regulations 2013 \(S.I. 2013/216\)](#), regs. 1(1), **2(2)(a)**
- F4** S. 32(2)(aa) inserted (W.) (28.2.2013) by [The Local Authorities \(Alteration of Requisite Calculations\) \(Wales\) Regulations 2013 \(S.I. 2013/216\)](#), regs. 1(1), **2(2)(b)**
- F5** Word in s. 32(2)(c) inserted (3.12.2011) by [Localism Act 2011 \(c. 20\)](#), s. 240(2), **Sch. 7 para. 10(4)(b)**; S.I. 2011/2896, art. 2(i)
- F6** Word in s. 32(2) repealed (15.1.2012) by [Localism Act 2011 \(c. 20\)](#), s. 240(2), **Sch. 25 Pt. 13**; S.I. 2012/57, art. 4(1)(ee)(iii)
- F7** S. 32(2)(e) repealed (3.12.2011) by [Localism Act 2011 \(c. 20\)](#), s. 240(2), **Sch. 7 para. 10(4)(c)**, **Sch. 25 Pt. 13**; S.I. 2011/2896, art. 2(i)
- F8** S. 32(2A) inserted (W.) (28.2.2013) by [The Local Authorities \(Alteration of Requisite Calculations\) \(Wales\) Regulations 2013 \(S.I. 2013/216\)](#), regs. 1(1), **2(3)**
- F9** Words in s. 32(3)(a) repealed (3.12.2011) by [Localism Act 2011 \(c. 20\)](#), s. 240(2), **Sch. 7 para. 10(5)(a)(i)**, **Sch. 25 Pt. 13**; S.I. 2011/2896, art. 2(i)
- F10** Words in s. 32(3)(a) inserted (3.4.1995 subject to art. 6(2)-(5) of the commencing S.I.) by 1994 c. 19, s. 38(11), **Sch. 12 para. 4(2)** (with ss. 54(5)(7), 55(5), **Sch. 17 paras. 22(1), 23(2)**); S.I. 1995/852, **art. 6(1)**
- F11** Words in s. 32(3)(a) inserted (W.) (28.2.2013) by [The Local Authorities \(Alteration of Requisite Calculations\) \(Wales\) Regulations 2013 \(S.I. 2013/216\)](#), regs. 1(1), **2(4)(a)**
- F12** Words in s. 32(3)(a) inserted (W.) (28.2.2013) by [The Local Authorities \(Alteration of Requisite Calculations\) \(Wales\) Regulations 2013 \(S.I. 2013/216\)](#), regs. 1(1), **2(4)(b)**
- F13** Words in s. 32(3)(a) substituted (3.2.1995) by S.I. 1995/234, **reg. 2(1)**
- F14** Words in s. 32(3)(a) substituted (W.) (28.2.2013) by [The Local Authorities \(Alteration of Requisite Calculations\) \(Wales\) Regulations 2013 \(S.I. 2013/216\)](#), regs. 1(1), **2(4)(c)**
- F15** Words in s. 32(3)(a) repealed (3.12.2011) by [Localism Act 2011 \(c. 20\)](#), s. 240(2), **Sch. 7 para. 10(5)(a)(iii)**, **Sch. 25 Pt. 13**; S.I. 2011/2896, art. 2(i)
- F16** S. 32(3)(aa) inserted (W.) (28.2.2013) by [The Local Authorities \(Alteration of Requisite Calculations\) \(Wales\) Regulations 2013 \(S.I. 2013/216\)](#), regs. 1(1), **2(5)**
- F17** S. 32(3)(b) repealed (3.12.2011) by [Localism Act 2011 \(c. 20\)](#), s. 240(2), **Sch. 7 para. 10(5)(b)**, **Sch. 25 Pt. 13**; S.I. 2011/2896, art. 2(i)
- F18** Words in s. 32(3)(c) substituted (3.12.2011) by [Localism Act 2011 \(c. 20\)](#), s. 240(2), **Sch. 7 para. 10(5)(c)**; S.I. 2011/2896, art. 2(i)
- F19** S. 32(3A) inserted (3.4.1995 subject to art. 6(2)-(5) of the commencing S.I.) by 1994 c. 19, s. 38(11), **Sch. 12 para. 4(3)** (with ss. 54(5)(7), 55(5), **Sch. 17 paras. 22(1), 23(2)**); S.I. 1995/852, **art. 6(1)**

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- F20** Words in s. 32(3A) repealed (3.12.2011) by Localism Act 2011 (c. 20), s. 240(2), Sch. 7 para. 10(6)(a), **Sch. 25 Pt. 13**; S.I. 2011/2896, art. 2(i)
- F21** Words in s. 32(3A) substituted (3.12.2011) by Localism Act 2011 (c. 20), s. 240(2), **Sch. 7 para. 10(6)(b)**; S.I. 2011/2896, art. 2(i)
- F22** Words in s. 32(3A) substituted (7.2.1996) by S.I. 1996/56, **art. 2(2)**
- F23** S. 32(5) substituted (3.12.2011) by Localism Act 2011 (c. 20), s. 240(2), **Sch. 7 para. 10(7)**; S.I. 2011/2896, art. 2(i)
- F24** Words in s. 32(5)(b) substituted (W.) (28.2.2012) by The Local Authorities (Alteration of Requisite Calculations) (Wales) Regulations 2012 (S.I. 2012/521), regs. 1(1), **6** (with reg. 1(2))
- F25** S. 32(6A) repealed (1.8.2001) by 2001 c. 16, s. 137, **Sch. 7 Pt. 5(1)**; S.I. 2001/2223, **art. 3(1)(i)**
- F26** Words in s. 32(7)(a)(i) repealed (3.12.2011) by Localism Act 2011 (c. 20), s. 240(2), Sch. 7 para. 10(8)(a), **Sch. 25 Pt. 13**; S.I. 2011/2896, art. 2(i)
- F27** Words in s. 32(7)(a)(i) inserted (3.4.1995 subject to art. 6(2)–(5) of the commencing S.I.) by 1994 c. 19, 38(11), Sch. 12, para. 4(4) (with ss. 54(5)(7), 55(5), Sch. 17 paras. 22(1), 23(2)): S.I. 1995/852, **art. 6(1)**
- F28** S. 32(7)(a)(ii) repealed (3.12.2011) by Localism Act 2011 (c. 20), s. 240(2), Sch. 7 para. 10(8)(b), **Sch. 25 Pt. 13**; S.I. 2011/2896, art. 2(i)
- F29** S. 32(8)–(8B) repealed (3.12.2011) by Localism Act 2011 (c. 20), s. 240(2), Sch. 7 para. 10(9), **Sch. 25 Pt. 13**; S.I. 2011/2896, art. 2(i)
- F30** Words in s. 32(9) substituted (3.12.2011) by Localism Act 2011 (c. 20), s. 240(2), **Sch. 7 para. 10(10)(a)**; S.I. 2011/2896, art. 2(i)
- F31** Word in s. 32(9) substituted (3.12.2011) by Localism Act 2011 (c. 20), s. 240(2), **Sch. 7 para. 10(10)(b)**; S.I. 2011/2896, art. 2(i)
- F32** S. 32(9A) inserted (E.W.) (20.3.2021) by Local Government and Elections (Wales) Act 2021 (asc 1), **ss. 158(2), 175(3)(p)**
- F33** S. 32(11) repealed (27.11.2003 for W.) by Local Government Act 2003 (c. 26), ss. 127(2), 128, **Sch. 8 Pt. 1**; S.I. 2003/3034, **art. 2(1)(4)**, Sch. 1 Pt. 1
- F34** S. 32(12) substituted (W.) (28.2.2013) by The Local Authorities (Alteration of Requisite Calculations) (Wales) Regulations 2013 (S.I. 2013/216), regs. 1(1), **2(6)**
- F35** S. 32(12A) inserted (W.) (28.2.2013) by The Local Authorities (Alteration of Requisite Calculations) (Wales) Regulations 2013 (S.I. 2013/216), regs. 1(1), **2(7)**

#### **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** Pt. 1 modified (24.12.2008) by The Local Government (Structural Changes) (Finance) Regulations 2008 (S.I. 2008/3022), **regs. 1(2), 7**
- Pt. 1 Ch. 3 modified (E.) (1.2.1993) by S.I. 1993/22, **art. 3(4)**
- Pt. 1 Chs. 3, 4 modified (E.) (1.2.1993) by S.I. 1993/22, **art. 4(2)**
- Pt. 1 Ch. 3 modified (W.) (3.3.2008 for specified purposes, 1.4.2008 in so far as not already in force) by Powys (Communities) Order 2008 (S.I. 2008/584), **art. 1(2)(3), 20(4)**
- Pt. 1 Ch. 3 modified (E.) (8.4.2008) by Local Government Finance (New Parishes) (England) Regulations 2008 (S.I. 2008/626), **regs. 1(1), 4**
- Pt. 1 Ch. 3 applied (with modifications) (1.4.2011) by The Pembrokeshire (Communities) Order 2011 (S.I. 2011/683), **arts. 1(3), 21(4)**
- Power to modify conferred (25.6.1997) by 1997 c. 50, s. 62(4); S.I. 1997/1377, **art. 2(2)(e)**
- S. 32 applied (with modifications) (E.) (15.2.1995) by S.I. 1995/161, **art. 3(2)(a)**
- S. 32 modified (E.) (6.2.1999) by S.I. 1999/228, **reg. 2**
- S. 32 modified (5.2.2000) by S.I. 2000/213, **reg. 2**
- S. 32 modified (2.2.2001 with effect as mentioned in reg. 1(3) of the amending S.I.) by S.I. 2001/216, **reg. 2**

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- S. 32 modified (E.) (1.2.2002 with application as mentioned in reg. 1(2) of the amending S.I.) by The Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2002 (S.I. 2002/155), **reg. 2**
- S. 32 modified (W.) (2.5.2002) by The Bridgend (Cynffig, Cornelly and Pyle Communities) (Electoral Changes) Order 2002 (S.I. 2002/1129), **art. 5(3)(a)**
- S. 32 modified (E.) (7.2.2003) by The Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2003 (S.I. 2003/195), **reg. 2**
- S. 32 modified (E.) (7.2.2004) by The Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2004 (S.I. 2004/243), **reg. 2**
- S. 32 modified (E.) (5.2.2005) by The Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2005 (S.I. 2005/190), **art. 2**; and s. 32 (as so modified) amended (3.12.2011) by Localism Act 2011 (c. 20), s. 240(2), **Sch. 7 para. 10**; S.I. 2011/2896, **art. 2(i)**
- S. 32 modified (E.) (8.2.2006 with effect as mentioned in reg. 1(3) of the amending S.I.) by The Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2006 (S.I. 2006/247), **reg. 2**
- S. 32 modified (W.) (15.2.2006) by The Local Authorities (Alteration of Requisite Calculations) (Wales) Regulations 2006 (S. I. 2006/344), **reg. 2**
- S. 32 modified (E.) (6.2.2007 with application as mentioned in reg. 1(2)(3) of the amending S.I.) by The Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2007 (S.I. 2007/227), **reg. 3**
- S. 32 modified (W.) (28.2.2007 with application as mentioned in reg. 1(3) of the amending S.I.) by The Local Authorities (Alteration of Requisite Calculations) (Wales) Regulations 2007 (S.I. 2007/571), **reg. 2**
- S. 32 modified (E.) (12.2.2008 with application in accordance with reg. 1(3) of the amending S.I.) by Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2008 (S.I. 2008/227), **regs. 1(1)(b), 3**
- S. 32 modified (W.) (27.2.2008 with application in accordance with reg. 1(3) of the amending S.I.) by The Local Authorities (Alteration of Requisite Calculations) (Wales) Regulations 2008 (S.I. 2008/476), **regs. 1(1), 2**
- S. 32 modified (3.3.2008 for specified purposes, 1.4.2008 in so far as not already in force) by Powys (Communities) Order 2008 (S.I. 2008/584), **art. 1(2)(3), 20(3)(a)**
- S. 32 modified (8.4.2008) by Local Government Finance (New Parishes) (England) Regulations 2008 (S.I. 2008/626), **regs. 1(1), 3(3)**
- S. 32 applied (with modifications) (29.1.2009) by Local Government (Structural Changes) (Further Financial Provisions and Amendment) Regulations 2009 (S.I. 2009/5), **regs. 1(1), 6(1)** (with reg. 1(2))
- S. 32 modified (E.) (10.2.2009 with application in accordance with reg. 1(3) of the amending S.I.) by Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2009 (S.I. 2009/206), **regs. 1(1)(b), 3**
- S. 32 modified (W.) (28.2.2009 with application in accordance with reg. 1(3) of the amending S.I.) by The Local Authorities (Alteration of Requisite Calculations) (Wales) Regulations 2009 (S.I. 2009/267), **regs. 1(1), 2**
- S. 32 modified (E.) (9.2.2010 with application in accordance with reg. 1(3) of the amending S.I.) by The Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2010 (S.I. 2010/219), **regs. 1(b), 3**
- S. 32 modified (W.) (28.2.2010 with application in accordance with reg. 1(3) of the amending S.I.) by The Local Authorities (Alteration of Requisite Calculations) (Wales) Regulations 2010 (S.I. 2010/317), **regs. 1(1), 2**
- S. 32 modified (E.) (15.2.2011 with application in accordance with reg. 1(3) of the amending S.I.) by The Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2011 (S.I. 2011/313), **regs. 1(1)(b), 3**
- S. 32 modified (W.) (28.2.2011 with application in accordance with reg. 1(3) of the amending S.I.) by The Local Authorities (Alteration of Requisite Calculations) (Wales) Regulations 2011 (S.I. 2011/446), **regs. 1(1), 2**

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- S. 32 applied (with modifications) (1.4.2011) by [The Pembrokeshire \(Communities\) Order 2011 \(S.I. 2011/683\)](#), **arts. 1(3), 21(3)(a)**
- C3** S. 32 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(3)(a)**
- C4** S. 32 modified (W.) (28.2.2012 with application in accordance with reg. 1(3) of the amending S.I.) by [The Local Authorities \(Alteration of Requisite Calculations\) \(Wales\) Regulations 2012 \(S.I. 2012/521\)](#), regs. 1(1), 2 (with reg. 1(2)(3))
- C5** S. 32 applied (with modifications) (W.) (coming into force in accordance with art. 1(2)(3) of the amending S.I.) by [The Monmouthshire \(Communities\) Order 2021 \(S.I. 2021/1227\)](#), **art. 251(2)**

**Status:**

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