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STATUTORY INSTRUMENTS

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**1992 No. 2428**

**The Local Authorities (Funds) (England) Regulations 1992**

**Discharge of a billing authority's liabilities**

3.—(1) Subject to paragraph (2), in relation to each financial year beginning in or after 1993 a billing authority shall in accordance with its schedule of instalments—

- (a) pay to its relevant precepting authorities from its collection fund or its general fund (as the case may be),
- (b) transfer from its collection fund to its general fund, and
- (c) transfer from its general fund to its collection fund,

such amounts, if any, as will discharge its liabilities for that year.

(2) The requirement in paragraph (1) to make payments or transfers in accordance with a schedule of instalments does not apply where any of the provisions in paragraphs (3) to (8) apply.

(3) Where—

- (a) a substitute precept or calculation has been issued or made in relation to a financial year, and
- (b) that substitute precept or calculation has been issued or made on or after the day of the final instalment to be paid or transferred in accordance with the schedule of instalments in that year,

any amounts to be paid or transferred by a billing authority in respect of its liabilities for that year which remain to be discharged immediately after the substitute precept or calculation is issued or made shall be paid or transferred as soon as reasonably practicable after the issue of that precept or making of that calculation.

(4) Subject to paragraph (5), in relation to each financial year beginning in or after 1993 a billing authority shall transfer from its general fund to its collection fund such amounts as will discharge its liability to transfer anything from its general fund under section 97(2) of the 1988 Act at such times and in such instalments as it determines, provided it discharges any such liability within the financial year to which it relates.

(5) Where a billing authority makes a substitute calculation after the end of the financial year to which it relates and becomes liable to transfer an amount under subsection (2) of section 97 of the 1988 Act, any amounts to be transferred by that authority in respect of its liabilities under that subsection which remain to be discharged immediately after the substitute calculation is made shall be transferred as soon as reasonably practicable after the making of that calculation.

(6) In relation to each financial year beginning in or after 1994 a billing authority shall in accordance with paragraphs (7) and (8) discharge its liability to pay anything from its collection fund to a relevant major precepting authority in respect of so much of any surplus in that fund as, in accordance with regulation 11, that billing authority calculates to be that major precepting authority's share as regards that year.

(7) Any amount so calculated as regards the financial year in question shall be paid by a billing authority to a relevant major precepting authority in no more than 10 equal instalments during that financial year, provided that—

- (a) the first and final instalments are paid in that year no later than 31st May and 31st March respectively, and
- (b) there are an equal number of days between each instalment.

(8) For the purposes of the computation of days under paragraph (7)(b) a day which is a Saturday, Sunday or bank holiday shall be excluded.

(9) Any amount paid or transferred by a billing authority in respect of a liability for a financial year, whether or not paid or transferred in accordance with a schedule of instalments or in accordance with any of the provisions in paragraphs (3) to (8), shall be treated as discharging that liability to the extent of the payment or transfer.

(10) For the purposes of paragraph (9), any amount paid or transferred which—

- (a) was treated in accordance with that paragraph as discharging a billing authority's liability, but which
- (b) was subsequently repaid or credited by the relevant precepting authority concerned under section 42(2) of the 1992 Act, or transferred under regulation 9,

shall, to the extent of the amount repaid or credited or transferred under regulation 9, cease to be treated as discharging that liability.

(11) Any reference in this regulation to an authority's schedule of instalments is a reference to the schedule of instalments determined by the authority in accordance with regulation 4, or where the authority has amended its schedule in accordance with regulation 6, to its schedule of instalments as it currently has effect.