



# Local Government Finance Act 2012

## 2012 CHAPTER 17

### *Non-domestic rating*

#### **1 Local retention of non-domestic rates**

- (1) The LGFA 1988 is amended in accordance with subsections (2) to (4).
- (2) After section 59 insert—

##### **“59A Local retention of non-domestic rates**

Schedule 7B (local retention of non-domestic rates) has effect.”

- (3) In section 143 (orders and regulations)—
  - (a) in subsection (3) (application of negative Parliamentary procedure to orders and regulations under the Act), for “(9AA)” substitute “(9E)”, and
  - (b) before subsection (10) insert—

“(9C) Any power to make regulations conferred by Schedule 7B (local retention of non-domestic rates) is exercisable by statutory instrument.
- (9D) A statutory instrument containing regulations under any of the following provisions of that Schedule (whether alone or with other provision) may not be made unless a draft of the instrument has been laid before and approved by resolution of each House of Parliament—
  - (a) paragraph 9 (regulations about payments by billing authorities to major precepting authorities);
  - (b) paragraph 11 (regulations about payments by billing authorities to major precepting authorities out of deductions from central share payments);
  - (c) paragraph 22 (regulations about calculation of levy payments);
  - (d) paragraph 25 (regulations about calculation of safety net payments);

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- (e) paragraph 30 (regulations about distribution of remaining balance);
  - (f) paragraph 39 or 40 (regulations about designated areas or classes of hereditament), if the regulations contain provision within paragraph 41 (payments to relevant authorities).
- (9E) Any other statutory instrument containing regulations under that Schedule is subject to annulment in pursuance of a resolution of either House of Parliament.”
- (4) Schedule 1 (which sets out the Schedule to be inserted as Schedule 7B to the LGFA 1988) has effect.
- (5) In consequence of the amendment made by subsection (3)(a), in Schedule 7 to the Local Government Act 2003 omit paragraph 24(2).
- (6) The amendments made by this section and Schedule 1 have effect in relation to the financial year beginning with 1 April 2013 and subsequent financial years.
- (7) But the Secretary of State may by order made by statutory instrument amend subsection (6) by substituting a later financial year.

## **2 Revenue support grant**

- (1) Schedule 2 (amendment of provisions about revenue support grant) has effect.
- (2) The amendments made by Schedule 2 have effect in relation to the financial year beginning with 1 April 2013 and subsequent financial years.
- (3) But the Secretary of State may by order made by statutory instrument amend subsection (2) by substituting a later financial year.

## **3 Additional grant**

- (1) The LGFA 1988 is amended in accordance with subsections (2) to (4).
- (2) In section 84Q(1) (application of Chapter dealing with grants other than revenue support grant) omit paragraph (a) (which refers to sections 85 and 86).
- (3) Omit sections 85 and 86 (additional grant: England) and the italic heading preceding section 85.
- (4) In section 141 (payments to and from authorities)—
- (a) in subsection (5)(b) omit “and 86(2)”, and
  - (b) in subsection (7) omit “and 86”.
- (5) The LGFA 1992 is amended in accordance with subsections (6) to (8).
- (6) In section 52ZF (council tax referendums: billing authority's duty to make substitute calculations)—
- (a) in subsection (3)(a) omit “additional grant,”, and
  - (b) omit subsection (4).
- (7) In section 52ZJ (council tax referendums: major precepting authority's duty to make substitute calculations)—
- (a) in subsection (4)(a) omit “additional grant,”, and

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- (b) omit subsection (5).
- (8) In section 69(1) (interpretation of Part 1), in the definition of “additional grant”, for “85(2)” substitute “ 86A(2) ”.
- (9) The Greater London Authority Act 1999 is amended in accordance with subsections (10) and (11).
- (10) In section 86 (calculation of component council tax requirement in relation to Mayor's Office for Policing and Crime)—
  - (a) in subsection (4D)—
    - (i) at the end of paragraph (b) insert “ and ”, and
    - (ii) omit paragraph (d) (additional grant) and the “and” preceding that paragraph, and
  - (b) in subsection (4F)—
    - (i) at the end of paragraph (a) insert “ and ”, and
    - (ii) omit paragraph (c) (report relating to additional grant) and the “and” preceding that paragraph.
- (11) In section 102(2) (aggregate out of which payments to functional bodies are to be made) omit paragraph (b) (additional grant).
- (12) In consequence of the amendments made by subsection (3)—
  - (a) in Schedule 10 to the LGFA 1992 omit paragraph 16, and
  - (b) in Schedule 7 to the Local Government Act 2003 omit paragraph 17.
- (13) The amendments made by this section have effect in relation to the financial year beginning with 1 April 2013 and subsequent financial years.
- (14) But the Secretary of State may by order made by statutory instrument amend subsection (13) by substituting a later financial year.

#### **4 General GLA grant**

- (1) Section 100 of the Greater London Authority Act 1999 (general GLA grant) is amended as follows.
- (2) For subsection (1) (duty to pay general GLA grant to Greater London Authority for each financial year) substitute—
  - “(1) The Secretary of State may pay a grant (to be called “general GLA grant”) to the Authority for a financial year.”
- (3) In subsection (3) (duty to make determination about general GLA grant for each financial year), after “year” insert “ for which general GLA grant is to be paid ”.
- (4) The amendments made by this section have effect in relation to the financial year beginning with 1 April 2013 and subsequent financial years.
- (5) But the Secretary of State may by order made by statutory instrument amend subsection (4) by substituting a later financial year.

#### **5 Local retention of non-domestic rates: further amendments**

- (1) Schedule 3 (local retention of non-domestic rates: further amendments) has effect.

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- (2) In that Schedule—
  - (a) Part 1 amends Schedule 8 to the LGFA 1988 so that it applies in relation to Wales only (and makes some related amendments), and
  - (b) Part 2 contains other amendments.
- (3) The amendments made by that Schedule have effect for the financial year beginning with 1 April 2013 and subsequent financial years.
- (4) But the Secretary of State may by order made by statutory instrument amend subsection (3) by substituting a later financial year.

## **6 Definition of domestic property**

- (1) Section 66 of the LGFA 1988 (domestic property) is amended as follows.
- (2) After subsection (2BB) insert—
  - “(2BC) For the purposes of subsection (2B) the relevant person is—
    - (a) where the building or self-contained part is not subject as a whole to a relevant leasehold interest, the person having the freehold interest in the whole of the building or self-contained part; and
    - (b) in any other case, any person having a relevant leasehold interest in the building or self-contained part which is not subject (as a whole) to a single relevant leasehold interest inferior to that interest.”
- (3) In subsection (2C) omit “subsection (2B) and”.
- (4) This section has effect in relation to liability to a non-domestic rate for the financial year beginning with 1 April 2013 and subsequent financial years.

## **7 Payments to and from authorities**

- (1) Section 141 of the LGFA 1988 (power to make regulations about set off of payments to and from receiving authorities) is amended as follows.
- (2) In subsection (5)(b) (power to require provisions of the Act to be read subject to regulations), after “79(2)” insert “, 84H(2) and 86B(2) ”.
- (3) In subsection (7) (payments to receiving authorities to which regulations may apply)—
  - (a) after “84C” insert “, 84K, 84N and 86B ”, and
  - (b) for the words from “, paragraphs 12 and 15 of that Schedule” to the end substitute “ and paragraphs 12 and 15 of that Schedule. ”
- (4) In subsection (8) (payments from receiving authorities to which regulations may apply), for “and 84C” substitute “, 84C, 84K and 84N ”.
- (5) The amendments made by this section have effect in relation to the financial year beginning with 1 April 2013 and subsequent financial years.

## **8 Provision of information about non-domestic rates**

- (1) In Schedule 9 to the LGFA 1988, paragraph 2 (collection and recovery) is amended as follows.

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- (2) After sub-paragraph (2)(ge) insert—
  - “(gf) that the payee must publish prescribed information in the prescribed manner.”.
- (3) In sub-paragraph (2)(h), after “when the payee serves a notice” insert “ or on the request of the ratepayer ”.

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