

# LOCAL GOVERNMENT FINANCE ACT 2012

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### *General*

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

#### **Part 7: Levy payments, safety net payments and distribution of remaining balance**

80. [Paragraph 22](#) gives the Secretary of State the power to make regulations about the calculation of levy payments. Such calculations may only be made for a year after the end of that year – so calculations for the financial year 2014-15, for example, may only be made after the end of that financial year (i.e. after March 2015). [Paragraph 23](#) requires the Secretary of State to calculate the levy payments required from relevant authorities for a year and to notify relevant authorities as soon as practicable after doing so. [Paragraph 24](#) places a requirement on relevant authorities to make levy payments as determined by the Secretary of State.
81. [Paragraph 25](#) allows the Secretary of State to make regulations about calculating whether a safety net payment should be made to a relevant authority for a year and, if so, the amount of the safety net payment. As with levy payments, such calculations may only be made for a year after the end of that year. [Paragraph 26](#) requires the Secretary of State to make the safety net payment calculations and to notify relevant authorities as soon as practicable after doing so. The Secretary of State must make safety net payments in instalments of such amounts and at such times as the Secretary of State determines with the Treasury's consent ([paragraph 27](#)).
82. [Paragraph 28](#) enables the Secretary of State to provide for a relevant authority to request that the Secretary of State calculates before the end of the financial year whether the Secretary of State is likely to be required to make a safety net payment to it for that year. Regulations may specify the time and manner in which requests may be made, the circumstances in which the Secretary of State may or must make a calculation in response to a request and about the calculation of a payment on account in addition to provisions about the timing of such calculations and making of such payments.
83. [Paragraph 29](#) requires the Secretary of State to calculate each year whether there is a remaining balance on the levy account and sets out how that calculation must be made. [Paragraph 30](#) provides that the Secretary of State may distribute the whole or part of any remaining balance for a year among one or more relevant authorities. Where the Secretary of State decides to do so, the basis of calculation for distribution will be as set out in regulations, and the Secretary of State must distribute any such payments in accordance with the paragraph and in any event within that financial year.
84. [Paragraph 31](#) has the effect of making the provisions in this Part subject to Parts 9 (pooling of authorities) and 10 (designation of areas and hereditaments) of the Schedule.