
STATUTORY INSTRUMENTS

1989 No. 2441

LOCAL GOVERNMENT, ENGLAND AND WALES
FINANCE

**The Non-Domestic Rating
Contributions (Wales) Regulations 1989**

Made - - - - *21st December 1989*
Laid before Parliament *21st December 1989*
Coming into force - - *29th December 1989*

The Secretary of State for Wales, in exercise of the powers conferred on him by sections 140(4), 143(1) and (2) and 146(6) of, and paragraphs 4(1) and (5) and 6(2), (2A), (5) and (6) of Schedule 8 to, the Local Government Finance Act 1988(1), and of all other powers enabling him in that behalf, hereby makes the following Regulations:—

Citation, commencement and application

1. These Regulations may be cited as the Non-Domestic Rating Contributions (Wales) Regulations 1989 and shall come into force on 29th December 1989. They apply to Wales only.

Interpretation

2. In these Regulations—

“the Act” means the Local Government Finance Act 1988;

“charging authority” means a Welsh charging authority;

“preceding year” means a chargeable financial year preceding the year for which a calculation of a non-domestic rating contribution or a recalculation of a provisional amount is being made;

“provisional amount” means, except in regulation 5(1)(a), the provisional amount arrived at under paragraph 5 of Schedule 8 to the Act(2) as regards a charging authority for a financial year, or the amount for the time being treated as that amount in accordance with regulation 6 of these Regulations;

(1) 1988 c. 41; sections 140, 143 and 146 were amended, and paragraph 6(2A) of Schedule 8 was inserted, by the Local Government and Housing Act 1989 (c. 42), Schedule 5, paragraphs 69, 72, 75 and 42 respectively.

(2) Paragraph 5 of Schedule 8 was amended by the Local Government and Housing Act 1989 (c. 42), Schedule 5, paragraph 42.

“relevant day” means a day in the chargeable financial year for which a calculation of a non-domestic rating contribution or a recalculation of a provisional amount is being made.

Calculation of non-domestic rating contributions

3. The rules for the calculation under paragraph 5 of Schedule 8 to the Act of a charging authority’s non-domestic rating contribution for a chargeable financial year are the rules contained in Schedule 1 to these Regulations.

Assumptions relating to provisional amounts

4. A calculation under paragraph 5(2) or (3) of Schedule 8 to the Act of a charging authority’s non-domestic rating contribution shall be made on the basis of the information before the person making the calculation at the time he makes it, read subject to the assumptions prescribed in Schedule 2 to these Regulations.

Recalculation of provisional amounts

- 5.—(1) Regulation 6 applies as regards a charging authority for a financial year in which—
- (a) a provisional amount has been arrived at, under paragraph 5 of Schedule 8 to the Act, as regards the charging authority for the financial year, and
 - (b) the prescribed conditions are fulfilled.
- (2) The prescribed conditions are—
- (a) that the charging authority has on a day in the financial year calculated an amount, under paragraph (3) below, which is less than the provisional amount for the authority for the year,
 - (b) that the difference between the amount calculated under paragraph (3) below and the provisional amount for the authority is greater than the amount calculated under paragraph (4) below,
 - (c) that the charging authority has notified the Secretary of State of the amount calculated under paragraph (3) below, and the day on which that amount was calculated, and
 - (d) that the Secretary of State believes that the amount calculated by the charging authority under paragraph (3) below is likely to have been calculated in accordance with that paragraph and informs the charging authority of his belief.
- (3) The amount calculated under this paragraph is the total of the amounts calculated on the relevant day in accordance with Parts I and II of Schedule 3 to these Regulations.
- (4) The amount calculated under this paragraph is the amount, expressed in pounds, of the relevant population of the area of the charging authority for the financial year multiplied—
- (a) if the amount calculated in accordance with paragraph (3) above is calculated before 1st October in the financial year, by a factor of 7.5, and
 - (b) if the amount calculated in accordance with paragraph (3) above is calculated on or after 1st October in the financial year, by a factor of 15.
- (5) In paragraph (4) above “relevant population” means relevant population calculated under paragraph 4 of Schedule 12A to the Act⁽³⁾.

(3) Schedule 12A was inserted by the Local Government and Housing Act 1989 (c. 42), Schedule 5, paragraph 74.

6.—(1) Where this regulation applies, for the purposes of paragraph 5 of Schedule 8 to the Act the provisional amount for the charging authority for the financial year is to be treated as being that amount recalculated as regards the authority for the year under paragraph (2) below.

(2) The amount recalculated under this paragraph is the total of the amounts calculated in accordance with Parts I and II of Schedule 3 to these Regulations, taking as the day on which the calculations in accordance with that Schedule are made the day on which the relevant calculation was made.

(3) In paragraph (2) above, the relevant calculation means the calculation under regulation 5(3) by virtue of which this regulation applies.

Repayments as a result of a recalculation

7.—(1) Where regulation 6 applies as regards a charging authority for a financial year, the Secretary of State shall repay to the charging authority the amount calculated in accordance with paragraph (2) below.

(2) The amount is the difference between—

- (a) the total of the amounts paid by the authority to the Secretary of State under paragraph 5(5) of Schedule 8 to the Act on relevant days preceding the day on which the recalculation was made, and
- (b) the amount calculated in accordance with the formula

$$\frac{A \times B}{C}$$

where—

A is the amount recalculated (or last recalculated) as regards the authority under regulation 6(2),

B is the total of the amounts directed by the Secretary of State to be paid by the authority on relevant days preceding the day on which the recalculation was made, and

C is the provisional amount having effect as regards the authority immediately before the day on which the recalculation was made.

(3) In paragraph (2) above the day on which the recalculation was made means the day taken as the day on which the calculations under regulation 6(2) were made (or were last made).

(4) The amount calculated in accordance with paragraph (2) above shall be paid by the Secretary of State at such time as he decides.

Reduced payments as a result of a recalculation

8.—(1) Where regulation 6 applies as regards a charging authority for a financial year, the amount of an instalment directed by the Secretary of State, under paragraph 5(5) of Schedule 8 to the Act, to be paid by the charging authority on or after the day on which the recalculation was made shall be treated as being the amount calculated in accordance with the formula—

$$\frac{A \times B}{C}$$

where—

A is the amount the Secretary of State directed to be paid by the authority in the instalment,

B is the amount recalculated (or last recalculated) as regards the authority under regulation 6(2), and

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C is the provisional amount having effect as regards the authority immediately before the day on which the recalculation was made.

(2) In paragraph (1) above the day on which the recalculation was made means the day taken as the day on which the calculations under regulation 6(2) were made (or were last made).

SCHEDULE 1

Regulation 3

RULES FOR THE CALCULATION OF NON-DOMESTIC RATING CONTRIBUTIONS

1.—(1) In relation to each charging authority there shall be calculated for a chargeable financial year the amounts described in paragraphs 2 to 11 of this Schedule.

(2) From the amount described in paragraph 2 there shall be deducted the amounts described in paragraphs 3 to 9, and to that amount there shall be added the amounts described in paragraphs 10 and 11.

(3) The amount calculated under sub-paragraph (2) above shall be the authority's non-domestic rating contribution for the year.

Gross amount due to the authority

2. The amount which is the total of the chargeable amounts payable to the authority under sections 43 and 45 of the Act(4) in respect of each relevant day, without taking into account any determination under section 47 of the Act or reduction or remission under section 49 of the Act(5) in respect of a relevant day.

Deductions from gross amount

3. The amount which is 25% of the difference between the amount calculated under paragraph 2 of this Schedule and the amount which would be so calculated if in respect of any relevant day any determination by the authority under section 47(1)(a) of the Act as regards a hereditament in relation to which the condition in section 47(2)(a) applies were taken into account.

4. The amount which is 75% of the difference between the amount calculated under paragraph 2 of this Schedule and the amount which would be so calculated if in respect of any relevant day any determination by the authority under section 47(1)(a) of the Act as regards a hereditament other than a hereditament in relation to which the condition in section 47(2)(a) applies were taken into account.

5. The amount which is 75% of the difference between the amount calculated under paragraph 2 of this Schedule and the amount which would be so calculated if in respect of any relevant day any reduction or remission by the authority under section 49 of the Act were taken into account.

6.—(1) The amount (being provision as regards the costs of collection and recovery) calculated in accordance with the formula—

$$(A \times £24) + (B \times 0.0006)$$

where—

A is the number of hereditaments shown in the authority's local non-domestic rating list on 31st December in the immediately preceding year, and

B is the total of the rateable values shown in the authority's local non-domestic rating list on 31st December in the immediately preceding year.

(2) For the purposes of sub-paragraph (1) above, where the financial year to which the calculation relates is a year in which local non-domestic rating lists are compiled under section 41(1) of the Act(6), the hereditaments shown in an authority's local non-domestic rating list, and the rateable value of those hereditaments, shall be taken to be the hereditaments, and the rateable values, shown

(4) Section 45 was amended by the Local Government and Housing Act 1989 (c. 42), Schedule 5, paragraph 23.

(5) Sections 47 and 49 were amended by the Local Government and Housing Act 1989 (c. 42), Schedule 5, paragraphs 26 and 27.

(6) Section 41 was amended by the Local Government and Housing Act 1989 (c. 42), Schedule 5, paragraph 19.

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in the list which the valuation officer for the authority proposes to compile in that year and which he has sent to the authority under section 41(5) of the Act.

7. The amounts which—
 - (a) are payable to the authority, under sections 43 and 45 of the Act, in respect of a relevant day or a day in a preceding year, and
 - (b) in the opinion of the authority are bad debts which should be written off or are doubtful debts for which provision should be made, and
 - (c) have been certified, under arrangements made by the Audit Commission for Local Authorities in England and Wales, as bad debts which should be written off or doubtful debts for which provision should be made, and
 - (d) have not been taken into account as amounts described in this paragraph in the calculation made under paragraph 5(6) of Schedule 8 to the Act for a preceding year.
8. The amounts which—
 - (a) as amounts paid in respect of a day in a preceding year were taken into account by the authority in the calculation made under paragraph 5(6) of Schedule 8 to the Act for such a year, and
 - (b) as amounts repaid in accordance with regulations made under section 55 of or paragraph 2(2)(j) of Schedule 9 to the Act⁽⁷⁾ were not taken into account by the authority in the calculation made under paragraph 5(6) of Schedule 8 to the Act for any such year.
9. The total of interest and additional amounts by way of interest which—
 - (a) have been paid by the authority, in accordance with regulations made under section 55 of or paragraph 2(2A) of Schedule 9 to the Act, in respect of amounts paid in respect of a relevant day or a day in a preceding year and repaid by the authority in accordance with regulations under that section or under paragraph 2(2)(j) of Schedule 9 to the Act, but which
 - (b) have not been taken into account by the authority as amounts described in this paragraph in the calculation made for a preceding year under paragraph 5(6) of Schedule 8 to the Act.

Additions to gross amount

10. The amounts which—
 - (a) have been taken into account by the authority as amounts described in paragraph 7 of this Schedule in the calculation made for a preceding year under paragraph 5(6) of Schedule 8 to the Act, but which
 - (b) have been paid to the authority under sections 43 and 45 of the Act.
11. The amounts, other than the amounts described in paragraph 10 of this Schedule, which—
 - (a) were chargeable amounts payable to the authority, under sections 43 and 45 of the Act, in respect of a day in a preceding year,
 - (b) have not been taken into account by the authority in calculating the amount described in paragraph 2 of this Schedule for a preceding year, and
 - (c) have been paid to the authority under sections 43 and 45 of the Act.

(7) Section 55 and paragraph 2 of Schedule 9 were amended by the Local Government and Housing Act 1989, Schedule 5, paragraphs 30 and 44.

SCHEDULE 2

Regulation 4

ASSUMPTIONS RELATING TO PROVISIONAL AMOUNTS

PART I ASSUMPTIONS

1.—(1) The assumptions prescribed in relation to paragraph 2 of Schedule 1 to these Regulations are the assumptions prescribed in paragraph 2 below.

(2) The assumptions prescribed in relation to paragraphs 3, 4, 5 and 7 of Schedule 1 to these Regulations are the assumptions prescribed in paragraphs 3 to 6 below.

Assumptions as to gross amount

2.—(1) It shall be assumed that the hereditaments shown for each relevant day will be the hereditaments shown in the authority's local non-domestic rating list on 31st December in the immediately preceding year.

(2) It shall be assumed that the rateable value of each hereditament will on each relevant day be the rateable value shown for the hereditament in the list on 31st December in the immediately preceding year.

(3) It shall be assumed that the person in occupation of a hereditament on each relevant day will be the person in occupation of the hereditament on 31st December in the immediately preceding year.

(4) Where on 31st December in the immediately preceding year a hereditament is unoccupied, it shall be assumed that the hereditament became unoccupied on that day and will remain unoccupied on each relevant day, and that the owner of the hereditament will be the owner of the hereditament on 31st December in that year.

(5) Where the year to which the calculation relates is a year in which local non-domestic rating lists are compiled under section 41(1) of the Act, it shall be assumed that the hereditaments shown in an authority's local non-domestic rating list, and the rateable value of those hereditaments, are the hereditaments, and the rateable values, shown in the list which the valuation officer for the authority proposes to compile in that year and which he has sent to the authority under section 41(5) of the Act.

(6) Where the year to which a calculation relates is the financial year beginning 1st April 1990 it shall be assumed that the person in occupation of a hereditament, or the owner of a hereditament, is the person who on 31st December 1989 would have been the occupier or owner for the purposes of the Act had the financial year beginning 1st April 1989 been a chargeable financial year.

(7) It shall be assumed that the amount calculated for the authority in accordance with the assumptions prescribed in sub-paragraphs (1) to (6) above is that amount multiplied by the percentage for projected change in rateable values prescribed in relation to the authority in Part II of this Schedule.

Assumptions as to deductions from gross amount

3. Where—

- (a) the financial year to which a calculation relates is the financial year beginning 1st April 1990,
- (b) a decision has not been made by the authority under section 47(3) of the Act as to whether or not that section will apply on one or more relevant days as regards a hereditament in relation to which the condition in section 47(2)(a) applies, and

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- (c) a reduction or remission of rates has been granted by the authority as regards the hereditament and has effect for the financial year beginning 1st April 1989 under section 40 of the General Rate Act 1967⁽⁸⁾, it shall be assumed for the purpose of calculating the amount described in paragraph 3 of Schedule 1 that such reduction or remission will apply as regards the hereditament, in respect of each relevant day, as if it had been made under section 47(1)(a) of the Act in respect of each such day.

4. Where—

- (a) the financial year to which a calculation relates is the financial year beginning 1st April 1990,
- (b) a decision has not been made by the authority under section 47(3) of the Act as to whether or not that section will apply on one or more relevant days as regards a hereditament other than a hereditament in relation to which the condition in section 47(2)(a) applies, and
- (c) a reduction or remission of rates has been granted by the authority as regards the hereditament and has effect for the financial year beginning 1st April 1989 under section 40 of the General Rate Act 1967, it shall be assumed for the purpose of calculating the amount described in paragraph 4 of Schedule 1 that such reduction or remission will apply as regards the hereditament in respect of each relevant day, as if it had been made under section 47(1)(a) of the Act in respect of each such day.

5. It shall be assumed for the purpose of calculating the amount described in paragraph 5 of Schedule 1 that no reduction or remission by the authority under section 49 of the Act will have effect in respect of a relevant day.

6.—(1) It shall be assumed that the total of the amounts described in paragraph 7 of Schedule 1 to these Regulations will be 0.2

(2) The amount is the total of the chargeable amounts payable to the authority under sections 43 and 45 of the Act in respect of each relevant day, calculated in accordance with the provisions of paragraph 2 of this Schedule, less the deductions from that amount prescribed in paragraphs 3 to 5 of Schedule 1 to these Regulations, calculated in accordance with the provisions of paragraphs 3 to 5 of this Schedule.

PART II

PERCENTAGES FOR PROJECTED CHANGE IN RATEABLE VALUES

<i>Name of the charging authority (district, borough or city council)</i>	<i>Prescribed percentage</i>
Aberconwy	100.8
Alyn and Deeside	103.5
Arfon	101.3
Blaenau Gwent	100.8
Brecknock	102.2
Cardiff	101.4
Carmarthen	100.6

(8) 1967 c. 9; section 40 was amended by section 1 of the Rating (Charity Shops) Act 1976 (c. 45).

<i>Name of the charging authority (district, borough or city council)</i>	<i>Prescribed percentage</i>
Ceredigion	101.2
Colwyn	100.6
Cynon Valley	100.6
Delyn	102.9
Dinefwr	102.8
Dwyfor	101.4
Glyndwr	101.8
Islwyn	101.2
Llanelli	99.3
Lliw Valley	98.5
Meirionnydd	101.5
Merthyr Tydfil	103.0
Monmouth	100.9
Montgomeryshire	103.5
Neath	98.5
Newport	100.2
Ogwr	102.2
Port Talbot	99.9
Preseli Pembrokeshire	99.7
Radnorshire	101.1
Rhondda	100.5
Rhuddlan	101.0
Rhymney Valley	100.8
South Pembrokeshire	100.2
Swansea	102.0
Taff Ely	100.4
Torfaen	101.0
Vale of Glamorgan	101.7
Wrexham Maelor	103.5
Ynys Mon—Isle of Anglesey	101.2

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SCHEDULE 3

Regulations 5 and 6

RECALCULATION OF PROVISIONAL AMOUNTS

PART I

DAYS PRECEDING THE DAY OF THE CALCULATION

1.—(1) The amount calculated in accordance with this Part of this Schedule is an amount calculated, under regulation 3, as if it were a calculation under paragraph 5(6) of Schedule 8 to the Act of the authority's non-domestic rating contribution for the year.

(2) For the purposes of sub-paragraph (1) above, Schedule 1 to these Regulations shall have effect subject to paragraph 2 of this Schedule.

2.—(1) The references to relevant days shall be treated as references to relevant days preceding the day on which the calculations in accordance with this Schedule are made.

(2) The amount described in paragraph 6 of Schedule 1 shall be replaced by the amount calculated in accordance with the formula—

$$\frac{A \times B}{C}$$

where—

A is the amount calculated in relation to the authority for the year in accordance with paragraph 6 of Schedule 1,

B is the number of relevant days preceding the day on which the calculations in accordance with this Schedule are made,

C is the number of days in the year for which the calculations in accordance with this Schedule are made.

(3) Paragraph 7(c) shall be disregarded.

PART II

DAYS ON AND AFTER THE DAY OF THE CALCULATION

3.—(1) The amount calculated in accordance with this Part of this Schedule is an amount calculated, under regulations 3 and 4, as if it were a calculation under paragraph 5(2) of Schedule 8 to the Act of the authority's non-domestic rating contribution for the year.

(2) For the purposes of sub-paragraph (1) above, Schedules 1 and 2 to these Regulations shall have effect subject to paragraph 4 of this Schedule.

4.—(1) The references to relevant days shall be treated as references to relevant days on and after the day on which the calculations in accordance with this Schedule are made.

(2) The amount described in paragraph 6 of Schedule 1 shall be replaced by the amount calculated in accordance with the formula—

$$\frac{A \times B}{C}$$

where—

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A is the amount calculated in relation to the authority for the year in accordance with paragraph 6 of Schedule 1,

B is the number of relevant days on and after the day on which the calculations in accordance with this Schedule are made,

C is the number of days in the year for which the calculations in accordance with this Schedule are made.

(3) In paragraph 2 of Schedule 2, the references to 31st December in the immediately preceding year shall be treated as references to the day on which the calculations in accordance with this Schedule are made.

(4) Paragraph 2(5) and (6) of Schedule 2 shall be disregarded.

21st December 1989

Peter Walker
Secretary of State for Wales

EXPLANATORY NOTE

(This note is not part of the Regulations)

Under Part II of Schedule 8 to the Local Government Finance Act 1988(c. 41), charging authorities are required to pay amounts (called non-domestic rating contributions) to the Secretary of State. Payments in respect of a provisional amount of the contributions are made during the financial year, final calculations and payments being made after the year ends. These Regulations contain rules for the calculation of those contributions for Welsh charging authorities.

Regulation 3 and Schedule 1 provide for the calculation of a final non-domestic rating contribution which is broadly the same as the total payable to the charging authority under sections 43 and 45 of the Act. Provision is included in Schedule 1 for the deduction of prescribed percentages of relief granted by the authority under sections 47 and 49 of the Act, of a fixed allowance in respect of costs of collection and recovery, and of amounts in respect of matters such as bad debts and amounts repaid to ratepayers.

Regulation 4 and Schedule 2 provide for the assumptions which are to be made when calculating the provisional amount.

Regulations 5 and 6 provide that where prescribed conditions are fulfilled, the amount calculated under regulation 4 will be replaced by an amount calculated under regulations 5 and 6 and Schedule 3. These provisions will operate where the amounts expected to be received by the charging authority in respect of non-domestic rates have been substantially reduced during the financial year.

Regulations 7 and 8 provide that where a provisional amount has been recalculated under regulations 5 and 6, repayments will be made to the charging authority and further amounts payable by the authority will be reduced.