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STATUTORY INSTRUMENTS

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**1991 No.185**

**RATING AND VALUATION**

**The Rates and Precepts (Final Adjustments) Order 1991**

*Made* - - - - *5th February 1991*  
*Laid before Parliament* *6th February 1991*  
*Coming into force* - - *7th February 1991*

The Secretary of State for the Environment, as respects England, and the Secretary of State for Wales, as respects Wales, in exercise of the powers conferred upon them by section 147(1) and (2) of the Local Government Finance Act 1988(1), and of all other powers enabling them in that behalf, hereby make the following Order:

**Citation and commencement**

1. This Order may be cited as the Rates and Precepts (Final Adjustments) Order 1991 and shall come into force on 7th February 1991.

**Interpretation**

2. In this Order—

“the 1967 Act” means the General Rate Act 1967(2);

“late rating adjustments”, in relation to—

(a) a relevant year and a rating authority other than the Common Council, means the amount ascertained in accordance with the formula—

$$A - (B + C)$$

where —

A is an amount equal to the total of amounts by way of rates for the financial year beginning in 1989 or any earlier financial year found during the relevant year to be recoverable in respect of hereditaments or former hereditaments in the authority's area under sections 6 or 79 of the 1967 Act, or in respect of rates previously written off as irrecoverable;

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(1) 1988 c. 41.

(2) 1967 c. 9; by virtue of section 117 of the Local Government Finance Act 1988, the 1967 Act ceased to have effect on 1st April 1990. Savings were made by the General Rate Act 1967 and Related Provisions (Savings and Consequential Provision) Regulations 1990 (S.I.1990/777) and consequential amendments of relevant saved provisions were made by the Local Government Finance (Repeals, Savings and Consequential Amendments) Order 1990 (S.I. 1990/776).

B is an amount equal to the loss on collection in that relevant year, that is to say, the total recorded in the authority's accounts for that year of amounts by way of rates for the financial year beginning in 1989 or any earlier financial year refunded in that relevant year under section 9 of the 1967 Act or written off in that year; and C is an amount equal to the cost of collection, recovery, refunding and writing off in that relevant year, that is to say, the net cost, determined in accordance with proper accounting practice, incurred by the authority in that year in connection with—

- (i) the collection or recovery of such amounts by way of rates as are referred to in the definition of A; and
  - (ii) the refunding or writing off of amounts as mentioned in the definition of B;
- (b) a relevant year and the Common Council, means such part of the amount ascertained in accordance with the formula set out in paragraph (a) above, substituting for references in the definitions of A, B and C to an authority, its area and its accounts references to the Common Council, the City of London and the accounts of the Common Council, as does not relate to, or is not connected with, the rating of empty, untenanted or unoccupied property<sup>(3)</sup>

“precepting body”—

- (a) means an authority referred to in section 12(1) of the 1967 Act<sup>(4)</sup> which issued a precept in respect of the financial year beginning in 1989; and
- (b) in relation to the precept issued by the Inner London Education Authority in respect of that year, shall be treated as including the London Residuary Body;

“precept poundage” means—

- (a) where the whole of a precepting body's precept for the financial year beginning in 1989 relates to part only of a rating authority's area, the amount ascertained by the application of the formula—

$$\frac{D \times E}{F}$$

where—

D is the number of pence in the pound of the precept;

E is the rateable value on 1st April 1989 of the part of the area to which the precept relates; and

F is the rateable value on that date of the whole of the rating authority's area;

- (b) where part of a precepting body's precept for that year does not relate to the whole of a rating authority's area, the amount ascertained by the application of the formula—

$$G + H$$

where—

G is the number of pence in the pound of such part of that precept as relates to the whole of the rating authority's area; and

H is the amount determined in accordance with the formula specified below in relation to such part of that precept as does not so relate or, where there is more than one such part, the aggregate of the amounts determined in accordance with that formula in relation to each of those parts; and the formula is—

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(3) Provision for the rating of empty, untenanted or unoccupied property is made by s.177 of the [City of London Sewers Act, 1848 \(c. clxiii\)](#). Section 177 was repealed, subject to limited savings, by S.I. 1990/776.

(4) Section 12(1) was amended by the Local Government Act 1985 (c. 51), section 68 (3).

$$\frac{I \times J}{F}$$

I is the number of pence in the pound of such part of the precept as relates to the part of the area of the rating authority;

J is the rateable value on 1st April 1989 of the part of the rating authority's area to which the part of the precept relates; and

F has the same meaning as in sub-paragraph (a);

- (c) in any other case, the number of pence in the pound of the precepting body's precept for that year;

“rate poundage” means—

- (a) in relation to the area of a rating authority in England other than the sub-treasurer of the Inner Temple and the under-treasurer of the Middle Temple, the aggregate of—
- (i) an amount equal to the amount specified as the assumed rate poundage for the charging authority for that area in column 2 of the Annex to the Community Charge Transitional Relief Report (England)(5); and
  - (ii) an amount equal to the appropriate domestic rate relief poundage for that authority for the financial year ended in 1990 as specified in paragraph 2.3 of that Report;
- (b) in relation to a rating authority in Wales, the amount specified in relation to that authority in column (2) of the Schedule hereto;
- (c) in relation to the sub-treasurer of the Inner Temple, 122.82 pence;
- (d) in relation to the under-treasurer of the Middle Temple, 113.66 pence;

“rating authority” means each of the following—

- (a) a district council,
- (b) a London borough council,
- (c) the Common Council,
- (d) the sub-treasurer of the Inner Temple,
- (e) the under-treasurer of the Middle Temple; and

“relevant year” means the financial year beginning in 1990 and each subsequent financial year.

### **Late rating adjustments — calculations and payments**

3.—(1) As soon as reasonably practicable after the end of each relevant year each rating authority shall calculate—

- (a) where a precepting body other than the Inner London Education Authority issued to it a precept for the financial year beginning in 1989, in relation to that precepting body,
- (b) where the Inner London Education Authority issued to it a precept for that financial year, in relation to the London Residuary Body,

the amount ascertained by the application of the formula—

$$\frac{K \times M}{L}$$

where—

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(5) Made under section 13A of the Local Government Finance Act 1988 on 13th February 1990 and laid before the House of Commons on 15th February 1990. Section 13A was inserted by paragraph 5 of Schedule 5 to the Local Government and Housing Act 1989 (c. 42).

K is the amount of the late rating adjustments for the relevant year then ended;

L is the rate poundage for the rating authority's area; and

M is the precept poundage.

(2) Each rating authority shall, as soon as reasonably practicable after it has made a calculation as mentioned in paragraph (1), notify—

(a) where it has calculated an amount in relation to the London Residuary Body, that Residuary Body,

(b) where it has calculated an amount in relation to any other precepting body, that precepting body,

of the amount calculated in relation to it.

(3) Subject to paragraph (4), each rating authority shall, within 28 days of the day on which it notifies a precepting body as mentioned in paragraph (2) or such longer period as may be agreed between the authority and the precepting body, pay to the precepting body the amount so notified.

(4) Where the amount calculated as mentioned in paragraph (1) is a negative amount, the rating authority may recover that amount from the precepting body in question; but it shall not be entitled to do so until at least 28 days have elapsed since the date on which it notified the precepting body in accordance with paragraph (2).

#### **Notification of estimates**

4. On or before 15th February 1991 and on or before 31st December in each relevant year commencing with the relevant year beginning in 1991, each rating authority shall notify—

(a) each precepting body other than the Inner London Education Authority from which it received a precept for the financial year beginning in 1989,

(b) where it received a precept for that year from the Inner London Education Authority, the London Residuary Body,

of its estimate of the amount to be paid to, or recovered from, the precepting body in accordance with article 3.

#### **Audit**

5. Paragraph 10 of the Schedule to the Rate Product Rules 1981(6) shall apply for the audit of the calculations required by article 3 of this Order as it applies for the audit of the calculations required by that Schedule as if the reference in that paragraph to the precepting authority were a reference to a precepting body within the meaning of this Order.

5th February 1991

*Michael Heseltine*  
Secretary of State for the Environment

Signed by authority of The Secretary of State for Wales

5th February 1991

*Wyn Roberts*  
Minister of State, Welsh Office

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

## SCHEDULE

Article 2

## RATE POUNDAGES — WALES

(1) District Council	(2) Rate poundage (pence)
Aberconwy	279.89
Alyn and Deeside	289.30
Arfon	277.00
Blaenau Gwent	285.39
Brecknock	267.03
Cardiff	240.61
Carmarthen	282.07
Ceredigion	274.50
Colwyn	300.10
Cynon Valley	291.63
Delyn	287.68
Dinefwr	273.41
Dwyfor	278.35
Glyndwr	294.60
Islwyn	277.00
Llanelli	300.58
Lliw Valley	324.21
Meirionnydd	281.54
Merthyr Tydfil	301.19
Monmouth	280.77
Montgomeryshire	248.35
Neath	325.73
Newport	275.93
Ogwr	311.32
Port Talbot	320.04
Preseli Pembrokeshire	270.80
Radnorshire	250.89
Rhondda	305.00
Rhuddlan	287.95
Rhymney Valley	310.52
South Pembrokeshire	276.58

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(1) District Council	(2) Rate poundage (pence)
Swansea	333.54
Taff-Ely	302.35
Torfaen	289.42
Vale of Glamorgan	248.54
Wrexham Maelor	296.95
Ynys Mon	276.56

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#### **EXPLANATORY NOTE**

*(This note is not part of the Order)*

This Order is consequential upon the Local Government Finance Act 1988. It provides for financial adjustments, as between certain bodies which, in respect of the financial year beginning 1st April 1989, were precepting authorities (or their successors) and certain bodies which, in respect of that year, were rating authorities.

The Inner London Education Authority, which was one of those precepting authorities, was abolished on 1st April 1990. Accordingly, provision is made in the Order for rights and liabilities to accrue to, and be discharged by, the London Residuary Body (which succeeded to the Authority's residuary property, rights and liabilities on that date).

The adjustments relate to amounts found to be recoverable or written off as irrecoverable or refunded on or after 1st April 1990 which are attributable to rates for a period ending before that date, and to associated administrative expenses.

The Order also makes provision for the notification of estimates of amounts payable and recoverable under the Order and for the audit of the adjustments.