
STATUTORY INSTRUMENTS

1991 No. 2111

RATING AND VALUATION

The Non-Domestic Rating (Payment of Interest) (Amendment) Regulations 1991

<i>Made</i>	- - - -	<i>17th September 1991</i>
<i>Laid before Parliament</i>		<i>25th September 1991</i>
<i>Coming into force</i>	- -	<i>16th October 1991</i>

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 on them by sections 55(2) and (7), 143(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 Regulations:

1. These Regulations may be cited as the Non-Domestic Rating (Payment of Interest) (Amendment) Regulations 1991 and shall come into force on 16th October 1991.

2.—(1) The Non-Domestic Rating (Payment of Interest) Regulations 1990(2) “the principal Regulations” shall be amended in accordance with these Regulations.

(2) The amendments in regulation 5 shall have effect only in respect of cases where the entitlement under regulation 3 of the principal Regulations arises in consequence of an alteration of a rating list made on or after the day on which these Regulations come into force.

3.—(1) Regulation 2(1) (definitions) shall be amended as follows.

(2) After the definition of “the Local Lists Regulations” there shall be inserted—

““adjusted amount”, in relation to a relevant period and a ratepayer, means the amount of his liability for the year or part in which the relevant period falls, as last adjusted under the Central Lists Regulations (or, as the case may be, the Local Lists Regulations) since the time of payment but before the date of the relevant alteration;”.

(3) After the definition of “alteration”, there shall be inserted—

““amount payable”, in relation to a ratepayer, means the amount of his liability for a chargeable financial year or part of a chargeable financial year, calculated as mentioned in regulation 2(1) of the Central Lists Regulations or, as the case may be, regulation 3(1) of the Local Lists Regulations;”.

(1) 1988 c. 41. Section 55 is amended by the Local Government and Housing Act 1989 (c. 42), Schedule 5 paragraph 30.

(2) S.I.1990/1904.

(4) For the definition of “liability” there shall be substituted—

““liability”, in relation to a ratepayer, means—

- (a) his liability under section 43 or 45 of the Act in relation to the hereditament in question or any hereditament entered in a rating list in substitution for all or part of that hereditament; or
- (b) his liability under section 54 of the Act;”

(5) For the definitions of “overpayment” and “repayment” there shall be substituted the following three definitions—

““overpayment”, in relation to a ratepayer, means—

- (a) in relation to the first (or only) relevant period, the amount by which the total of the sums paid in that period in satisfaction of, or towards, the amount payable by him or any adjusted amount (as ascertained, in either case, without reference to the relevant alteration) for the year or part in which that period falls, exceeds the amount payable for that year or part (as established as a consequence of the relevant alteration) or, where regulation 6 applies, the amount, if greater, payable pursuant to the application or appeal referred to in that regulation in respect of the year or part; and
- (b) in relation to any other relevant period, the amount by which the total of the sums paid in that period and each earlier relevant period in satisfaction of, or towards, the amounts payable by him or any adjusted amount (as ascertained, in either case, without reference to the relevant alteration) for the years or parts in which each such period falls, exceeds the total of the amounts payable for those years or parts (as established in consequence of the relevant alteration) or, where regulation 6 applies, the total of the amounts, if greater, payable pursuant to the application or appeal referred to in that regulation in respect of those years or parts; disregarding (in either case) any amount constituting an overpayment in relation to any earlier relevant period;

“relevant alteration”, in relation to a repayment, means the alteration in respect of which the repayment falls to be made;

“repayment” means the repayment, or as the case may be the crediting, of any amount, in accordance with the Central Lists Regulations or the Local Lists Regulations;”.

4. Regulation 4 (rates of interest) shall be amended—

- (a) in paragraph (1), by the substitution for the words from “the arithmetic mean” to the end of the paragraph of the words “the standard rate.”;
- (b) by the substitution for paragraph (2) of the following:

“(2) For the purposes of paragraph (1)—

- (a) the standard rate, in relation to a year or part of a year, is the base rate quoted by the reference banks and effective on 15th March (or, if that day is not a business day, the next business day) of the preceding year; or, if different base rates are quoted and so effective, the rate which, when the base rate quoted by each bank is ranked in a descending sequence of seven, is fourth in the sequence;
- (b) the reference banks, in relation to any 15th March, are the seven largest institutions—
 - (i) authorised by the Bank of England under the Banking Act 1987(3) and
 - (ii) incorporated in and carrying on a deposit-taking business within the United Kingdom,

which quote a base rate in sterling effective as mentioned in subparagraph (a);
and

- (c) the size of an institution is to be determined by reference to its total consolidated gross assets denominated in sterling, as shown in its audited end-year accounts last published before the relevant 15th March.

(3) In paragraph 2(c), the reference to the consolidated gross assets of an institution is a reference to the gross assets of that institution together with any subsidiary (within the meaning of section 736 of the Companies Act 1985)(4).”.

5. In regulation 5 (amount of payment)—

- (a) in paragraph (a), for the definition of “B”, there shall be substituted—

“B is the number of days in the relevant period or, where the effective date falls after the beginning of that period, the number of days in the period beginning on the effective date and ending on the last day of the relevant period;” and

- (b) in paragraph (b), for the definition of “E”, there shall be substituted—

“E is the number of days in the relevant period or, where the period falls within the year of effective alteration and the effective date falls after the beginning of that period, the number of days in the period beginning on the effective date and ending on the last day of the relevant period;”.

12th September 1991

Michael Heseltine
Secretary of State for the Environment

17th September 1991

David Hunt
Secretary of State for Wales

(4) 1985 c. 6; section 736 was substituted by section 144(1) of the Companies Act 1989 (c. 40).

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

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Non-Domestic Rating (Payment of Interest) Regulations 1990, which deal with entitlement to and calculation of interest on sums overpaid by way of non-domestic rates.

The principal changes are:

- (1) to deal with interest on the amount finally determined after a review of, or appeal against, the decision of a valuation and community charge tribunal (regulation 3(5));
- (2) to amend the method of determining the appropriate rate of interest (regulation 4); and
- (3) to amend the formula by reference to which the amount of interest is calculated (regulation 5).