

EXPLANATORY MEMORANDUM TO
THE NON-DOMESTIC RATING CONTRIBUTIONS (AMENDMENT) (ENGLAND)
REGULATIONS 2005

2005 No. 3333

1. This explanatory memorandum has been prepared by the Office of the Deputy Prime Minister and is laid before Parliament by Command of Her Majesty.

2. Description

2.1 These Regulations make provision in relation to the contributions to the national non-domestic rating pool for financial years commencing on or after 1st April 2006.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Background

4.1 These Regulations are made under the powers in section 143(1) and (2) of, and paragraphs 4 and 6 of Schedule 8 to, the Local Government Finance Act 1988. Paragraphs 4 and 6 are in Part II of Schedule 8, which relates to contributions to the national non-domestic rating pool.

5. Extent

5.1 This instrument applies to England only.

6. European Convention on Human Rights

6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 Billing authorities are required to pay amounts (called non-domestic rating contributions) to an account held by the Secretary of State (“the national non-domestic rating pool”). The national non-domestic rating pool is subsequently distributed to authorities under the rules in Schedule 8 to the 1988 Act. Payments into the national non-domestic rating pool in respect of the provisional amount of the non-domestic rating contributions are made during the financial year. Final calculations and adjustments are made after the year ends.

7.2 These Regulations amend the rules contained in the Non-Domestic Rating Contributions (England) Regulations 1992 for calculation of non-domestic rating contributions and the assumptions to be made in calculating the provisional

amount of the non-domestic rating contributions, for financial years beginning on or after 1st April 2006. They make amendments in relation to:

- 7.2.1 the offset for a special authority (a “special authority” is an authority which on 1st April 1986 had a population of less than 10,000 and a gross rateable value on that date divided by its population of more than £10,000);
- 7.2.2 the national cost of collection figure;
- 7.2.3 the cost factors;
- 7.2.4 the buoyancy factor (which is one of the assumptions billing authorities use when calculating the provisional amount, reflecting the amount the Secretary of State thinks rates revenue will increase or decrease in relation to estimated rates revenue after all other assumptions have been taken into account); and
- 7.2.5 the losses in collection percentages.

These figures are reconsidered each year to take account of the previous year’s performance by local authorities.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

9. Contact

9.1 Peter Reilly at the Office of the Deputy Prime Minister, telephone 020 7944 4197 or e-mail: peter.reilly@odpm.gsi.gov.uk, can answer any queries regarding the instrument.