

Draft Order laid before Parliament under section 20(3) of the Local Government Finance Act 2012, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2013 No.

RATING AND VALUATION

**The Local Government Finance Act 2012
(Consequential Amendments) Order 2013**

Made - - - - 2013

Coming into force in accordance with article 1

The Secretary of State makes the following Order in exercise of the powers conferred by section 20(2) of the Local Government Finance Act 2012⁽¹⁾.

A draft of this Order has been approved by a resolution of each House of Parliament in accordance with section 20(3) of that Act.

Citation and commencement

1. This Order may be cited as the Local Government Finance Act 2012 (Consequential Amendments) Order 2013 and comes into force on the day after the day on which it is made.

Amendments to the Local Government Finance Act 1992

2.—(1) The Local Government Finance Act 1992 ⁽²⁾ is amended as follows.

(2) In section 31A⁽³⁾ (calculation of council tax requirement by authorities in England)—

(a) in subsection (2), after paragraph (d) insert—

“(da) any amounts which it estimates will be transferred in the year from its general fund to its collection fund in accordance with regulations under section 97(2B) of the 1988 Act,”

(b) in subsection (3), after paragraph (a) insert—

“(aa) any amounts which it estimates will be transferred in the year from its collection fund to its general fund in accordance with regulations under section 97(2A) of the 1988 Act,” and

(1) 2012 c.17.

(2) 1992 c.14

(3) Section 31A was inserted by section 74 of the Localism Act 2011 (c.20)

- (c) in subsection (9)(b), after “paragraphs” insert “(aa),”.
- (3) In section 52ZD(4) (council tax referendums: approval of principles), for “section 78A of” substitute “paragraph 5(1) of Schedule 7B to”.
- (4) In section 52ZF(4) (council tax referendums: billing authority’s duty to make substitute calculations)—
 - (a) in subsection (3)(a) (amounts to be used by billing authorities for the purpose of substitute calculations), for “redistributed” substitute “locally retained”, and
 - (b) after subsection (3) insert—
 - “(3A) In this Chapter, “locally retained non-domestic rates”, in relation to a billing authority or a major precepting authority, means amounts received by the authority under, or under regulations under, Schedule 7B to the Local Government Finance Act 1988, or under regulations under section 99(3) of that Act in connection with the operation of that Schedule.”
- (5) In section 52ZJ(5) (council tax referendums: major precepting authority’s duty to make substitute calculations), in subsection (4)(a) (amounts to be used by major precepting authorities for the purpose of substitute calculations), for “redistributed” substitute “locally retained”.
- (6) In section 69(1) (interpretation of Part 1), in the definition of “redistributed non-domestic rates”, for “Secretary of State” substitute “Welsh Ministers”.

Amendments to the Greater London Authority Act 1999

- 3.—(1) The Greater London Authority Act 1999(6) is amended as follows.
- (2) In section 86 (supplementary provisions about calculation of component and consolidated council tax requirements)—
 - (a) in subsection (4D)(a)(7) (estimate of income in relation to Mayor’s Office for Policing and Crime: requirement to use prescribed amounts in respect of redistributed non-domestic rates), for “redistributed” substitute “locally retained”, and
 - (b) after subsection (4D) insert—
 - “(4DA) In subsection (4D) above “locally retained non-domestic rates” means the sums received by the Authority under, or under regulations under, Schedule 7B to the Local Government Finance Act 1988, or under regulations under section 99(3) of that Act in connection with the operation of that Schedule.”
- (3) In section 99(8) (interpretation of Chapter 1), in the definition of “local government finance report”, for “section 78A of” substitute “paragraph 5(1) of Schedule 7B to”.
- (4) In the heading to Chapter 2 of Part 3, for “redistributed” substitute “locally retained”.
- (5) In section 102 (duty of Mayor to distribute grants etc between Authority and functional bodies)—
 - (a) in subsection (2)(e) (inclusion of sums received by the Authority in respect of redistributed non-domestic rates in aggregate for distribution), for “redistributed” substitute “locally retained”, and
 - (b) after subsection (8) insert—

(4) Section 52ZF was inserted by paragraph 1 of Schedule 5 to the Localism Act 2011.

(5) Section 52ZJ was inserted by paragraph 1 of Schedule 5 to the Localism Act 2011.

(6) 1999 c.29.

(7) Subsection (4D) was inserted by section 76 of the Localism Act 2011 and amended by paragraph 52 of Part 2 of Schedule 16 to the Police and Social Reform Act 2011 (c.13).

(8) Section 99 was amended by section 12 of the Greater London Authority Act 2007 (c.24) and paragraph 38 of Schedule 7 to the Localism Act 2011.

“(9) The reference in subsection (2)(e) to the sums received by the Authority for the financial year in respect of locally retained non-domestic rates is to the sums received by it in the year under, or under regulations under, Schedule 7B to the Local Government Finance Act 1988, or under regulations under section 99(3) of that Act in connection with the operation of that Schedule.”

Signed by authority of the Secretary of State for Communities and Local Government

Date

Name
Parliamentary Under Secretary of State
Department for Communities and Local
Government

EXPLANATORY NOTE

(This note is not part of the Order)

This Order makes amendments to the Local Government Finance Act 1992 (“the 1992 Act”) and the Greater London Authority Act 1999 (“the 1999 Act”) in consequence of the changes made to the way non-domestic rates income is distributed by the Local Government Finance Act 2012.

The Local Government Finance Act 2012 insets a new Schedule 7B into the Local Government Finance Act 1988. The effect of this is to replace the system for the pooling and redistribution of non-domestic rates with a scheme for the local retention of non-domestic rates.

Article 2(2) of this Order make changes to the provisions governing the way that billing authorities are required to calculate their council tax requirements (section 31A of the 1992 Act) as a result of the new scheme, so that transfers between the general fund and the collection fund made in connection with the operation of Schedule 7B are accounted for correctly in the calculations.

Articles 2(3) and 3(3) amend references to the local government finance report. The remaining provisions amend references to ‘redistributed non-domestic rates’ in both Acts.

No separate impact assessment has been prepared for this Order, but the impact assessment prepared for the Local Government Finance Act 2012 is relevant:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/8470/2054063.pdf