

1974 No. 177

LOCAL GOVERNMENT, ENGLAND AND WALES

**The Local Government (Differential Precepting and Rating)
Order 1974**

<i>Made - - - -</i>	<i>6th February 1974</i>
<i>Laid before Parliament</i>	<i>7th February 1974</i>
<i>Coming into Operation</i>	<i>7th March 1974</i>

The Secretary of State for the Environment, in relation to England, and the Secretary of State for Wales, in relation to Wales, in exercise of the powers conferred upon them by section 254(1)(a) and (2)(f) and (g) of the Local Government Act 1972(a) and of all other powers enabling them in that behalf, hereby make the following order:—

Title and commencement

1. This order may be cited as the Local Government (Differential Precepting and Rating) Order 1974 and shall come into operation on 7th March 1974.

Interpretation

2.—(1) The Interpretation Act 1889(b) shall apply for the interpretation of this order as it applies for the interpretation of an Act of Parliament.

(2) In this order—

“existing differential rating” means differential rating provided for in an order made under Part VI of the Local Government Act 1933(c) or Part I of the Local Government Act 1958(d) or in a local Act extending any local government area;

“Wales” means the area consisting of the counties established by section 20 of the Local Government Act 1972 (new local government areas in Wales), and “England” does not include any area included in any of those counties;

“the year 1973–74” means the year ending on 31st March 1974 and any corresponding expression in which two years are mentioned means the year ending on 31st March in the second mentioned of those two years.

(3) Any reference in this order to a numbered article shall, unless the reference is to an article of a specified order, be construed as a reference to the article bearing that number in this order.

(a) 1972 c. 70.
(c) 1933 c. 51.

(b) 1889 c. 63.
(d) 1958 c. 55.

(4) Any reference in any article of this order to a numbered paragraph shall, unless the reference is to a paragraph of a specified article, be construed as a reference to the paragraph bearing that number in the first-mentioned article.

Precepts

3. In relation to the year 1974–75, 1975–76, 1976–77 or 1977–78 the council of any non-metropolitan county shall, taking no account of article 4, determine the amount in the pound which would require to be levied in that year as rates in respect of their general expenses.

4.—(1) The council of a non-metropolitan county other than—

- (i) a county comprising only the area or part of the area of a single administrative county; or
- (ii) Essex

shall—

- (a) in relation to any area of the county which was in 1973–74 comprised in an administrative county, ascertain the total of the amounts in the pound levied on the whole of the area in respect of general county purposes in the precepts for that year of the council for that county;
- (b) in relation to any area of the county which was in 1973–74 comprised in a county borough, determine the total of the amounts in the pound of the rates required for county borough purposes for that year which were attributable to services which in an administrative county wholly outside the Metropolitan Police District would be levied in respect of general county purposes;
- (c) determine the highest amount ascertained under (a) or determined under (b); and
- (d) calculate the difference between any other such amount and the amount under (c).

(2) The County Council of Essex shall—

- (e) ascertain the total of the amounts in the pound levied on the area of the administrative county of Essex outside the Metropolitan Police District in 1973/74 in respect of general county purposes and for police purposes in the precepts for that year of the county council;
- (f) determine the total of the amounts in the pound required for the purposes of the county borough of Southend-on-Sea for that year which were attributable to services similar to those described in (e);
- (g) determine the higher amount ascertained under (e) or determined under (f); and
- (h) calculate the difference between the other such amount and the amount under (g).

(3) In the determinations required by (b) and (f) the following operations shall be carried out in the sequence indicated—

- (i) any provision for general balance shall be apportioned between the services described in (b) or (f), as the case may be, and the other services provided by the council of the county borough, in the specified proportions;

- (j) the needs element of the rate support grant payable to the council of the county borough shall be treated as having been payable in respect of the services described in (b) or (f), as the case may be;
- (k) any credits (not being Government grants) and appropriations from general balance shall be apportioned between the services described in (i) in the specified proportions;
- (l) the resources element of the rate support grant payable to the council of the county borough shall be apportioned between the services described in (i) in the specified proportions; and
- (m) any housing subsidies or other Government grants receivable in respect of particular services shall be allocated to those services.

In any item of this paragraph "the specified proportions" means the proportions of the respective expenses, after deducting fees, rents, recoupments, etc., and taking account of any preceding items of this paragraph, of the services described in (b) or (f), as the case may be, and the other services provided by the council of the county borough.

(4) The difference calculated under (d) or (h) for any area is hereinafter referred to as "PD".

(5) In their precepts for any of the years 1974–75 to 1977–78 described in the heading to column (2), (3), (4) or (5) of the Schedule to this order any non-metropolitan county council shall make such adjustments of the amount described in article 3 as determined for that year as shall ensure that in relation to any area in respect of which PD falls within an entry in column (1) the amount in the pound required in respect of their general expenses is (subject to article 8) less than such amount for the area or areas in which there will be no reduction under this paragraph in respect of that year by the amount, if any, shown in respect of the first-mentioned entry in column (2), (3), (4) or (5), as the case may be.

In the application of this paragraph to the county of Essex the whole of the area of the administrative county of Essex shall be treated as a single area, and any PD calculated under (h) for the area described in (e) shall be applicable to the whole of the area first mentioned in this paragraph.

Making of rates

5. In relation to the year 1974–75, 1975–76, 1976–77 or 1977–78, the council of any district shall, taking no account of article 6, determine the amount in the pound which would require to be included in the rates for that year in respect of their general expenses.

6.—(1) Subject to paragraph (2), the council of any district other than a district comprising only the area or part of the area of a single county borough or county district in which there was in 1973–74 no existing differential rating shall—

- (n) in relation to any area of the district which was in 1973–74 comprised in a county district or in a part of a county district in which there was existing differential rating, ascertain the total of the amounts in the pound included in the rates for that year otherwise than—

- (i) in respect of general county purposes
- (ii) as additional items of the general rate leviable in part only of the district;
- (o) in relation to any area of the district which was in 1973–74 comprised in a county borough or in a part of a county borough in which there was existing differential rating, ascertain the difference between the total of the amounts in the pound determined under (b) or (f), as the case may be, and the total of the amounts in the pound of the rates levied in that year in such area otherwise than as additional items of the general rate;
- (p) determine the highest amount ascertained under (n) or (o);
- (q) calculate the difference between any other such amount and the amount determined under (p).

The difference calculated under (q) for any area is hereinafter referred to as RD.

(2) In the application of paragraph (1) to any metropolitan district—

in (n), for the words following “otherwise than” there shall be substituted “as additional items of the general rate leviable in part only of the district”; and

in (o), for the words following “ascertain” there shall be substituted “the total of the amounts in the pound levied in that year in such area otherwise than as additional items of the general rate.”

(3) In their rates for any of the years 1974–75 to 1977–78 described in the heading to column (2), (3), (4) or (5) of the Schedule to this order the district council shall make such adjustments of the amount described in article 5 as determined for that year as shall ensure that in relation to any area in respect of which RD falls within any entry in column (1) the amount in the pound included in the rates is (subject to article 8) less than such amount for the area or areas of the district in which there will be no reduction under this paragraph in that year by the amount, if any, shown in respect of the first-mentioned entry in column (2), (3), (4) or (5), as the case may be.

Gas and electricity hereditaments

7.—(1) This paragraph has effect in relation to any district in any of the years 1974–5 to 1977–8 if article 4 has effect in that year resulting in precepts of different amounts in areas of the district taken into account under (a), (b), (e) or (f).

In any such district any authority which apart from this paragraph would, under the relevant gas provision or the relevant electricity provision, have been treated as occupying a hereditament in the district shall instead be treated as occupying in each area of the district taken into account under (a), (b), (e) or (f), during any rate period being such year or part thereof, a hereditament of the rateable value of $\frac{x}{y} \times z$.

- x being the aggregate of the rateable values of all the hereditaments other than gas hereditaments and electricity hereditaments in such area as shown in the valuation list at the beginning of the year;
- y being the aggregate of the rateable values of all such hereditaments in the district as so shown; and
- z being the rateable value which would have attached to the first-mentioned hereditament apart from the provision of this paragraph.

The amount in the pound at which rates shall be payable by any authority in respect of the expenses of the district council in relation to any hereditament which it is under this paragraph to be treated as occupying in any area during any rate period being a year or part thereof shall be the amount determined under article 5 of this order for that year.

(2) In the application of article 6 no account shall be taken of any gas hereditaments or electricity hereditaments, and nothing in that article affects the amount in the pound at which rates shall be payable by any authority in respect of any hereditament which it is under the relevant gas provision or the relevant electricity provision to be treated as occupying in any district during any rate period.

(3) In this article—

“electricity hereditaments” means hereditaments which the Generating Board or an Area Board, within the meaning of the relevant electricity provision, would be treated as occupying either under the relevant electricity provision or under paragraph (1);

“gas hereditaments” means hereditaments which the British Gas Corporation would be treated as occupying either under the relevant gas provision or under paragraph (1);

“the relevant electricity provision” means section 34(3) of the General Rate Act 1967(a); and

“the relevant gas provision” means section 33(3) of the said Act as set out in Schedule 5 to the Gas Act 1972(b).

Supplementary provision

8. Where the application of article 4(5) or 6(3) produces a fraction of 1p other than a tenth or a number of tenths, the fraction, or the excess thereof over a tenth or a number of tenths, as the case may be, shall—

if it is less than a twentieth, be disregarded;

if it is a twentieth or more, be taken as a tenth.

9.—(1) Any provision for existing differential rating shall, except in the application of article 6, cease to have effect, either in respect of the years 1974–75, 1975–76, 1976–77 and 1977–78 or in respect of any subsequent year.

(2) The provisions of this order are without prejudice to any exemption from, or reduction of, rates other than existing differential rating.

(a) 1967 c. 9.

(b) 1972 c. 60.

SCHEDULE

In this Schedule, D means—

in the application of article 4, PD as defined in article 4(4); and

in the application of article 6, RD as defined in article 6(1).

(1) D	(2) 1974-75	(3) 1975-76	(4) 1976-77	(5) 1977-78
More than 2p but not more than 4p	D less 2p	—	—	—
More than 4p but not more than 6p	ditto	D less 4p	—	—
More than 6p but not more than 8p	ditto	ditto	D less 6p	—
More than 8p but not more than 10p	ditto	ditto	ditto	D less 8p
More than 10p	$4/5 \times D$	$3/5 \times D$	$2/5 \times D$	$1/5 \times D$

Geoffrey Rippon,

Secretary of State for the Environment.

5th February 1974.

Peter Thomas,

Secretary of State for Wales.

6th February 1974.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order makes provision for—

- (a) differential precepting in the new non-metropolitan counties other than those which comprise only the areas, or parts of the areas, of single administrative counties;
- (b) differential district rating in the districts other than those which comprise only areas of single county boroughs or county districts in which there is no existing differential rating resulting from the alteration of areas.

The Order ensures that uniformity of rate poundage over the whole of districts will be attained by 1st April 1978.

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