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STATUTORY INSTRUMENTS

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**1992 No. 1516**

**RATING AND VALUATION**

**The Non-Domestic Rating Contributions  
(England) (Amendment) (No. 2) Regulations 1992**

<i>Made</i>	- - - -	<i>25th June 1992</i>
<i>Laid before Parliament</i>		<i>25th June 1992</i>
<i>Coming into force</i>	- -	<i>16th July 1992</i>

The Secretary of State for the Environment, in exercise of the powers conferred on him by sections 140(4), 143(1) and (2) and 146(6) of, and paragraphs 4(1) and (5) and 6(5) and (6) of Schedule 8 to, the Local Government Finance Act 1988(1) and section 7 of the Non-Domestic Rating Act 1992(2), and of all other powers enabling him in that behalf, hereby makes the following Regulations:

1. These Regulations may be cited as the Non-Domestic Rating Contributions (England) (Amendment) (No. 2) Regulations 1992 and shall come into force on 16th July 1992.

2. The Non-Domestic Rating Contributions (England) Regulations 1989(3) ( “the 1989 Regulations”) shall be amended as follows—

- (a) in regulation 2(1)—
  - (i) after the definition of “the Act”, there shall be inserted “the 1992 Act” means the Non-Domestic Rating Act 1992
  - (ii) in the definition of “provisional amount”, for “regulation 6” there shall be substituted “regulation 6 or 6A(5)”;
- (b) in regulation 5(1), at the beginning, there shall be inserted “Subject to regulation 6A,”;
- (c) after regulation 6, there shall be inserted the following regulation—

- “6A.—(1) For the financial year beginning on 1st April 1992 ( “the current year”)—
- (a) regulation 6 applies as regards a charging authority where the conditions prescribed under regulation 5(2) are fulfilled, and
  - (b) paragraph (5) below applies as regards a charging authority where the conditions prescribed under paragraph (2) below are fulfilled.
- (2) The prescribed conditions are—

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(1) 1988 c. 41; paragraph 6(6) of Schedule 8 is amended by section 5(2) of the Non-Domestic Rating Act 1992.  
(2) 1992 c. 46.  
(3) S.I. 1989/2435; amended by S.I. 1990/2472, 1991/2793 and 1992/1363.

- (a) that the charging authority has on a day (in this regulation and in regulations 7A and 8A referred to as “the calculation day”) in the current year calculated an amount, under paragraph (3) below, which is less than the provisional amount for the authority for that year,
- (b) that the charging authority has notified the Secretary of State of the amount so calculated and the calculation day,
- (c) that the Secretary of State believes that the amount so calculated is likely to have been calculated in accordance with paragraph (3) below and informs the charging authority of his belief, and
- (d) that the charging authority has not on or after 16th July 1992 made a calculation under regulation 5(3).

(3) The amount calculated under this paragraph is the amount calculated under regulation 3 on the basis of the same information, read subject to the same assumptions, as that on the basis of which the calculation (or last recalculation) of the provisional amount was made, but taking account of the amendments made by sections 1 to 3 of the 1992 Act and those made by regulation 2(h) and (i) of the Non-Domestic Rating (Contributions) (England) (Amendment) (No. 2) Regulations 1992.

(4) Where a charging authority’s provisional amount was calculated by the Secretary of State under paragraph 5(3) of Schedule 8 to the Act, he shall, unless he has already done so, inform the authority in writing, as soon as reasonably practicable after 16th July 1992, of the information on the basis of which he made the calculation and the assumptions subject to which that information was read.

(5) Where this paragraph applies, the provisional amount for a charging authority for the current year is, for the purposes of paragraph 5 of Schedule 8 to the Act, to be treated as being that amount recalculated as regards the authority in accordance with paragraph (3) above.”

- (d) in regulations 7(2)(b) and 8(1), after “regulation 6(2)” there shall be inserted “or, as the case may be, 6A(5)”;
- (e) in regulations 7(3) and 8(2), after “last made)” there shall be inserted “or, where the recalculation was made or last made under regulation 6A(5), the calculation day within the meaning of that regulation”;
- (f) after regulation 7, there shall be inserted the following—

“7A.—(1) Where regulation 6A(5) applies as regards a charging authority, the Secretary of State shall repay to the authority the amount calculated in accordance with paragraph (2) below.

(2) The amount is the difference between—

- (a) the total of the amounts paid by the authority under paragraph 5(5) of Schedule 8 to the Act on relevant days preceding the calculation day, and
- (b) the amount calculated in accordance with the formula

$$\frac{A \times B}{C}$$

where—

A is the amount recalculated as regards the authority under regulation 6A(5),

B is the total of the amounts directed by the Secretary of State to be paid by the authority on relevant days preceding the calculation day,

C is the provisional amount having effect as regards the authority immediately before the calculation day.

(3) The amount calculated in accordance with paragraph (2) above shall be paid by the Secretary of State at such time as he decides.”;

(g) after regulation 8, there shall be inserted the following—

“8A. Where regulation 6A(5) applies as regards a charging authority, the amount of an instalment directed by the Secretary of State, under paragraph 5(5) of Schedule 8 to the Act, to be paid by the authority on or after the calculation day shall be treated as being the amount calculated in accordance with the formula

$$\frac{A \times B}{C}$$

where—

A is the amount the Secretary of State directed to be paid by the authority in the instalment,

B is the amount recalculated as regards the authority under regulation 6A(5), and

C is the provisional amount having effect as regards the authority immediately before the calculation day.”;

(h) in Part I of Schedule 1—

(i) in paragraph 1(2), after “9” there shall be inserted “and, as regards the chargeable financial year beginning on 1st April 1992, the amount described in paragraph 6A,” and

(ii) after paragraph 6, there shall be inserted—

“6A.—(1) The amount calculated in accordance with the formula:

$$(E \times F \times G) \cdot (F \times H) + J$$

where—

E is the number of hereditaments in respect of which amounts payable under a demand notice served by the authority before 16th July 1992 fall to be adjusted under paragraph 7A or 7B of Schedule 1 to the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989 or in accordance with an agreement made under regulation 7 of those Regulations in consequence of the amendments made by sections 1 to 3 of the 1992 Act,

F is the cost factor shown for the authority in Part II of this Schedule,

G is 0.70,

H is 0.18,

J is the amount of the reasonable costs, if any, necessarily incurred by the authority in respect of changes to any of their computer programs so as to give effect to the provisions of the 1992 Act.

(2) In sub-paragraph (1) above, “demand notice” means a demand notice within the meaning of Part II of the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989, including such a notice issued

pursuant to Part II of the Non-Domestic Rating (Collection and Enforcement) (Miscellaneous Provisions) Regulations 1990.”<sup>(4)</sup>

- (i) in Schedule 2—
  - (i) in paragraph 1(2), after “5A”, there shall be inserted “,6A”,
  - (ii) in paragraph 5, after “Schedule 1”, there shall be inserted “, and that J in the formula in paragraph 6A of that Schedule,”;
- (j) in Schedule 3—
  - (i) in paragraph 2(2), there shall be substituted for the words from the beginning to “Schedule 1 to these Regulations” the following—
    - “(2) The amounts described in paragraphs 6 and 6A of Schedule 1 shall each be replaced by amounts calculated in accordance with the formula
 
$$\frac{A \times B}{C}$$
 where—
      - A is the amount being replaced, calculated in relation to the authority for the year in accordance with paragraph 6 or 6A of Schedule 1 and assuming, in the case of paragraph 6A, that J in the formula in that paragraph is nil,”;
    - (ii) in paragraph 4(2), for “ described in paragraph 6” there shall be substituted “described in paragraphs 6 and 6A” and, in the definition of A in the formula, after “6” there shall be inserted “or 6A”.

3. The amendments made by regulation 2(h) and (i) above shall have effect in relation to any calculation under paragraph 5 of Schedule 8 to the Act of a charging authority’s non-domestic rating contribution for the financial year beginning on 1st April 1992 made on or after the coming into force of these Regulations.

25th June 1992

*Michael Howard*  
Secretary of State for the Environment

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(4) The Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989 (S.I. 1989/1058); paragraphs 7A and 7B of Schedule 1 are inserted by S.I. 1992/1512. The Non-Domestic Rating (Collection and Enforcement) (Miscellaneous Provisions) Regulations 1990 (S.I. 1990/145).

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## EXPLANATORY NOTE

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

Under Part II of Schedule 8 to the Local Government Finance Act 1988 (“the 1988 Act”), charging authorities are required to pay amounts (called non-domestic rating contributions) to the Secretary of State. Provisional amounts are paid during the year, final calculations and payments being made after the year ends.

Regulation 2 of these Regulations amends the rules for the calculation of payments contained in the Non-Domestic Rating Contributions (England) Regulations 1989 (“the 1989 Regulations”).

Regulation 6A inserted in the 1989 Regulations makes provision in respect of the recalculation of the provisional amount of an authority’s non-domestic rating contribution for the financial year beginning on 1st April 1992 in order to take account of the amendments made by the Non-Domestic Rating Act 1992 to Schedule 7A (non-domestic rating: 1990 to 1995) to the 1988 Act and to related secondary legislation.

Regulations 7A and 8A inserted in the 1989 Regulations provide for the making of repayments to authorities by the Secretary of State, or of reduced payments to the Secretary of State by authorities, in consequence of a recalculation under regulation 6A(5).

It is possible for regulation 2(h) and (i) of these Regulations to have effect in respect of the financial year beginning on 1st April 1992, notwithstanding paragraph 4(6) of Schedule 8 to the 1988 Act, by virtue of section 7 of the 1992 Act.