

LOCAL GOVERNMENT FINANCE BILL: Keeling Schedule for Schedule 7B of the Local Government Finance Act 1988 as amended by the following provisions of the Local Government Finance Bill:

Clauses 1 to 3; and

Paragraphs 1 to 35 of Schedule 1.

This document shows provisions in the Local Government Finance Act 1988 as they would be amended by the Bill. It is intended to assist the consideration of provisions in the Bill and should not be taken as a definitive statement of the law as it would have effect on the enactment of the Bill.

Deletions are shown ~~struck through~~ and additions in *italics*

SCHEDULE 7B: LOCAL RETENTION OF NON-DOMESTIC RATES

PART 1 – ~~MAIN NON-DOMESTIC RATING ACCOUNTS~~ NON-DOMESTIC RATING ACCOUNTS

~~Main non-domestic rating accounts~~ *Non-domestic rating accounts*

1

(1) The Secretary of State must, for each year, keep an account, to be called a ~~"main non-domestic rating account"~~ *the "non-domestic rating account"*.

(2) ~~Each such account~~ *The non-domestic rating account for a year* must be kept in accordance with the provisions of this Schedule that apply to a ~~main non-domestic rating account~~ *such an account*.

(3) The Secretary of State--

(a) must keep ~~each such account~~ *the non-domestic rating account for a year* in such form as the Treasury may direct, and

(b) must, at such time as the Treasury may direct, send copies of ~~each such account~~ *the account* to the Comptroller and Auditor General.

(4) The Comptroller and Auditor General--

(a) must examine, certify and report on any account of which copies are sent to the Comptroller and Auditor General under sub-paragraph (3), and

(b) must arrange for copies of the account and of the Comptroller and Auditor General's report on it to be laid before each House of Parliament.

Credits and debits

2

~~(1) For each year the following are to be credited (as items of account) to the main non-domestic rating account kept for the year—~~

~~(a) amounts received by the Secretary of State in the year under section 54 (central rating: liability);~~

~~(b) amounts received by the Secretary of State in the year under section 59 (contributions in aid);~~

~~(c) amounts received by the Secretary of State in the year under regulations under section 99(3) (treatment of surplus or deficit in collection fund) that make provision in relation to non-domestic rates;~~

~~(d) amounts received by the Secretary of State in the year under paragraph 6 (payments in respect of the central share) and amounts received by the Secretary of State in the year under regulations under paragraph 7 (administrative arrangements for such payments);~~

~~(e) amounts received by the Secretary of State in the year under paragraph 14 (payments following local government finance report);~~

~~(f) amounts received by the Secretary of State in the year under paragraph 17 (payments following amending report);~~

~~(g) amounts received by the Secretary of State in the year under regulations under paragraph 33 (transitional protection payments); and~~

~~(h) amounts received by the Secretary of State in the year under regulations under paragraph 42 (payments following estimates of amounts to be disregarded).~~

~~(2) — For each year the following are to be debited (as items of account) to the main non-domestic rating account kept for the year—~~

~~(a) payments made by the Secretary of State in the year under regulations under section 99(3) that make provision in relation to non-domestic rates;~~

~~(b) payments made by the Secretary of State in the year under regulations under paragraph 7;~~

~~(c) payments made by the Secretary of State in the year under paragraph 14;~~

~~(d) payments made by the Secretary of State in the year under paragraph 17;~~

~~(e) payments made by the Secretary of State in the year under regulations under paragraph 33; and~~

~~(f) payments made by the Secretary of State in the year under regulations under paragraph 42.~~

(1) For each year there are to be credited (as items of account) to the non-domestic rating account kept for the year such relevant receipts as the Treasury may direct.

(1A) In sub-paragraph (1) “relevant receipts”, in relation to a year, means—

(a) amounts received under Part 3 of this Act by the Secretary of State in the year, and

(b) other amounts received under this Act by the Secretary of State in the year in connection with non-domestic rates.

(2) For each year there are to be debited (as items of account) to the non-domestic rating account kept for the year such relevant payments as the Treasury may direct.

(2A) In sub-paragraph (2) “relevant payments”, in relation to a year, means—

(a) payments made under Part 3 of this Act by the Secretary of State in the year, and

(b) other payments made under this Act by the Secretary of State in the year in connection with non-domestic rates.

~~(3) If a local government finance report for a year has been approved by resolution of the House of Commons, an amount may be debited (as an item of account) to the main non-domestic rating account kept for the year, for use for the purposes of local government in England.~~

(3) An amount may also be debited (as an item of account) to the non-domestic rating account kept for a year if it is for use for the purposes of local government in England.

~~(4) The amount that may be debited under sub-paragraph (3) for a year may not exceed—~~

~~(a) the total amount credited for the year under sub-paragraph (1)(a), (b), (c), (d) and (h), minus~~

~~(b) the total amount debited for the year under sub-paragraph (2)(a), (b) and (f).~~

(5) The reference in sub-paragraph (3) to use for the purposes of local government in England includes the making of payments under an Act or an instrument made under an Act (whenever passed or made) to—

(a) billing authorities in England,

(b) precepting authorities in England,

(c) levying bodies in England (and for this purpose "levying body" has the meaning given by section 74(1)), or

(d) bodies to which section 75(1) applies.

End of year calculations

3

(1) As soon as is reasonably practicable after the end of each year, the Secretary of State must calculate--

(a) the aggregate of the items of account credited to the ~~main~~ non-domestic rating account kept for the year, and

(b) the aggregate of the items of account debited to the ~~main~~ non-domestic rating account kept for the year.

(2) If the aggregate mentioned in sub-paragraph (1)(a) exceeds that mentioned in sub-paragraph (1)(b), an amount equal to the excess must be--

(a) debited (as an item of account) to the ~~main~~ non-domestic rating account kept for the year, and

(b) credited (as an item of account) to the ~~main~~ non-domestic rating account kept for the next year.

(3) If the aggregate mentioned in sub-paragraph (1)(b) exceeds that mentioned in sub-paragraph (1)(a), an amount equal to the excess must be--

(a) credited (as an item of account) to the ~~main~~ non-domestic rating account kept for the year, and

(b) debited (as an item of account) to the ~~main~~ non-domestic rating account kept for the next year.

~~PART 2: DETERMINATION OF THE CENTRAL AND LOCAL SHARE~~

~~Determination of the central and local share~~

4

~~The Secretary of State must, for each year and in relation to each billing authority in England, determine--~~

~~(a) the percentage ("the central share") that is to be the billing authority's central share for the year for the purposes of Part 3 (payments to the Secretary of State in respect of the central share), and~~

~~(b) the percentage ("the local share") that is to be the billing authority's local share for the year for the purposes of Part 4 (payments by billing authorities to major precepting authorities).~~

Local government finance reports

5

~~(1) A determination under paragraph 4 must be specified in a report, to be called a "local government finance report".~~

~~(2) The Secretary of State must lay, or make arrangements for laying, the local government finance report before the House of Commons.~~

~~(3) As soon as is reasonably practicable after a local government finance report is laid before the House of Commons, the Secretary of State must send a copy of the report to each relevant authority.~~

PART 3: PAYMENTS TO THE SECRETARY OF STATE IN RESPECT OF THE CENTRAL SHARE

Payments to the Secretary of State in respect of the central share

6

~~(1) This paragraph applies if a local government finance report for a year is approved by resolution of the House of Commons.~~

~~(2) Each billing authority in England must make a payment for the year to the Secretary of State of an amount equal to the central share of the billing authority's non-domestic rating income for the year.~~

~~(3) For the purposes of this paragraph, an authority's "non-domestic rating income" has the meaning given by regulations made by the Secretary of State.~~

~~(4) The regulations may, in particular, define that term by reference to the total which, if the authority acted diligently, would be payable to it in respect of the year under sections 43 and 45, subject to such adjustments as may be specified in the regulations.~~

~~(5) The regulations may, in particular, make provision for adjustments by reference to changes to the calculation of the amount of a billing authority's non-domestic rating income for an earlier year but not taken into account in that calculation.~~

~~(6) This paragraph is subject to regulations under paragraph 8.~~

Regulations about administrative arrangements

7

~~(1) The Secretary of State may by regulations make provision about the administration of payments under paragraph 6.~~

~~(2) The regulations may, in particular, make provision—~~

~~(a) about the time and manner in which a payment under paragraph 6 or under regulations under this paragraph is to be made (including for payment by instalments), and as to the consequences of non-payment;~~

~~(b) about the making of a payment by a billing authority to the Secretary of State or vice versa where—~~

~~(i) a payment under paragraph 6 is made in the course of the year to which it relates, and~~

~~(ii) it is subsequently determined that the amount of the payment required to be made under that paragraph is more or less than that actually made;~~

~~(c) about the making of a payment by a billing authority to the Secretary of State or vice versa where—~~

~~(i) a calculation of a payment under paragraph 6 is made by reference to an estimate of an amount, and~~

~~(ii) it is subsequently determined that the actual amount is more or less than the estimate.~~

Regulations about deductions from central share payments

8

~~(1) The Secretary of State may by regulations make provision for the deduction from a payment to be made under paragraph 6 by a billing authority to the Secretary of State of an amount to be determined in accordance with the regulations.~~

~~(2) The regulations may, in particular, make provision for the determination of an amount to be deducted to be made by reference to the operation in relation to the billing authority of section 47 (discretionary relief).~~

~~(3) The consent of the Treasury is required to regulations under this paragraph.~~

PART 4: PAYMENTS BY BILLING AUTHORITIES TO MAJOR PRECEPTING AUTHORITIES

Regulations about payments

9

(1) The Secretary of State may by regulations make provision requiring billing authorities in England to make payments for a year to major precepting authorities in England.

~~(2) The regulations must provide that a billing authority is not required to make a payment for a year unless the local government finance report for the year has been approved by resolution of the House of Commons.~~

(3) The regulations may, in particular, make provision as to--

- (a) the billing authorities that are required to make payments under the regulations;
- (b) the major precepting authorities that are entitled to receive payments under the regulations;
- (c) the amounts of the payments that are required to be made.

(4) The regulations may, in particular, make provision for the amount of a payment to be made by a billing authority for a year to be such proportion of its non-domestic rating income for the year as is specified in or determined in accordance with the regulations.

(5) For the purposes of this paragraph, an authority's "non-domestic rating income" has the meaning given by the regulations.

(6) The regulations may, in particular, define that term by reference to the total which, if the authority acted diligently, would be payable to it in respect of the year under sections 43 and 45, subject to such adjustments as may be specified in the regulations.

(7) The regulations may, in particular, make provision for adjustments by reference to changes to the calculation of the amount of a billing authority's non-domestic rating income for an earlier year but not taken into account in that calculation.

~~(8) The regulations may not have the effect that the total amount payable by a billing authority under the regulations for a year exceeds the billing authority's local share of its non-domestic rating income for a year.~~

Regulations about administrative arrangements

10

(1) The Secretary of State may by regulations make provision about the administration of payments under regulations under paragraph 9.

(2) The regulations may, in particular, make provision--

(a) about the making of calculations, and the supply of information to a major precepting authority, by a billing authority in connection with the determination of a payment to be made under regulations under paragraph 9, this paragraph or Part 6 (funds) so far as applying to non-domestic rates;

(b) about the assumptions and adjustments to be made, and the information to be taken into account, in making such calculations;

(c) about the consequences of non-compliance with provision under paragraph (a) or (b);

(d) about the time and manner in which a payment under regulations under paragraph 9 or this paragraph is to be made (including for payment by instalments), and as to the consequences of non-payment;

(e) about the making of a payment by a billing authority to a major precepting authority or vice versa where--

(i) a payment under regulations under paragraph 9 is made in the course of the year to which it relates, and

(ii) it is subsequently determined that the amount of the payment required to be made under the regulations is more or less than that actually made;

(f) about the making of a payment by a billing authority to a major precepting authority or vice versa where--

(i) a calculation of a payment under regulations under paragraph 9 is made by reference to an estimate of an amount, and

(ii) it is subsequently determined that the actual amount is more or less than the estimate;

(g) for the certification of calculations made, or information supplied to a major precepting authority, by a billing authority in connection with the determination of a payment under regulations under paragraph 9, this paragraph or Part 6 (funds) so far as applying to non-domestic rates;

(h) about the consequences where a certified calculation or certified information does not match that made or supplied by the billing authority, including (in particular) about the use of the certified calculation or certified information.

(3) The regulations may confer power on the Secretary of State to give directions about the certification of calculations or information.

~~Payments out of deduction from central share payments~~

~~44~~

~~(1) The Secretary of State may by regulations make provision for a billing authority to make a payment for a year to one or more major precepting authorities of an amount equal to a proportion of the amount that is to be deducted in accordance with regulations under paragraph 8 from the billing authority's payment under paragraph 6 to the Secretary of State for the year.~~

~~(2) The regulations may make provision about the administration of payments to major precepting authorities under the regulations.~~

~~(3) The regulations may, in particular, make provision in relation to payments to major precepting authorities of the same kind as the provision that may be made under sub-paragraph (2) of paragraph 10 in relation to payments to major precepting authorities to which that sub-paragraph applies.~~

PART 5: PRINCIPAL PAYMENTS IN CONNECTION WITH LOCAL RETENTION OF NON-DOMESTIC RATES

~~Determination of payments~~ *Principles of allocation*

~~12~~

~~(1) The local government finance report for a year must specify *The Secretary of State must specify, for each year, the basis ("the basis of calculation" the "principles of allocation")* on which the Secretary of State intends to--~~

~~(a) calculate which relevant authorities are to make payments under this Part of this Schedule to the Secretary of State for the year,~~

~~(b) calculate which relevant authorities are to receive payments under this Part of this Schedule from the Secretary of State for the year, and~~

~~(c) calculate the amount of each payment within paragraph (a) or (b).~~

~~(1A) *The principles of allocation for a year must be specified in a statement (a "principles of allocation statement") made by the Secretary of State.*~~

(1B) A principles of allocation statement may specify the principles of allocation for such year or years (“relevant years”) as are specified in the statement.

(1C) If before the beginning of a relevant year the Secretary of State makes a principles of allocation statement specifying revised principles of allocation for that year, the revised principles of allocation have effect for that year.

~~(2) Before making the local government finance report for a year, the Secretary of State must notify such representatives of local government as the Secretary of State thinks fit of the general nature of the basis of calculation.~~

(2) Before making a principles of allocation statement, the Secretary of State must consult such representatives of local government as the Secretary of State thinks fit about the general nature of the principles of allocation.

(3) As soon as is reasonably practicable after making a principles of allocation statement, the Secretary of State must send a copy of the statement to each relevant authority.

~~Calculations following local government finance report~~ *Determination of payments for a relevant year*

13

~~(1) This paragraph applies if a local government finance report for a year is approved by resolution of the House of Commons.~~

(1) This paragraph applies where the Secretary of State makes a principles of allocation statement.

~~(2) As soon as is reasonably practicable after the report has been approved Before the beginning of each relevant year, the Secretary of State must, for that relevant year--~~

(a) calculate which relevant authorities are to make payments under this Part of this Schedule to the Secretary of State for the year,

(b) calculate which relevant authorities are to receive payments under this Part of this Schedule from the Secretary of State for the year, and

(c) calculate the amount of each payment within paragraph (a) or (b).

(3) Subject as follows, the Secretary of State may, at any time before the end of the year following ~~the year to which the report relates~~ a relevant year, make for the relevant year one further set of calculations of the kind described in sub-paragraph (2).

~~(4) The power to make a further set of calculations under sub-paragraph (3) is not exercisable after the approval by the House of Commons of any amending report~~

~~made under paragraph 15 in relation to the local government finance report. for a year is not exercisable after the making of any amending statement for the year under paragraph 15.~~

(5) Calculations under this paragraph must be made in accordance with ~~the basis of calculation specified in the report~~ *the principles of allocation specified in the statement.*

(6) As soon as is reasonably practicable after making calculations under sub-paragraph (2) or (3), the Secretary of State must notify each relevant authority of--

(a) whether any payments are to be made by the authority to the Secretary of State in accordance with the calculations,

(b) whether any payments are to be made to the authority by the Secretary of State in accordance with the calculations, and

(c) if any payments are to be made by or to the authority, the amount of each payment.

~~**Payments following local government finance report**~~ ***Making of payments for a relevant year***

14

(1) Where calculations under paragraph 13(2) show that a relevant authority is to make a payment to the Secretary of State *for a relevant year*, the authority must make that payment to the Secretary of State.

(2) Where calculations under paragraph 13(2) show that the Secretary of State is to make a payment to a relevant authority *for a relevant year*, the Secretary of State must make that payment to the authority.

(3) The following provisions apply if calculations ("the revised calculations") are made under paragraph 13(3) for a year.

(4) In this paragraph "the original calculations" means the calculations for the year under paragraph 13(2).

(5) Sub-paragraph (6) applies where--

(a) a payment the revised calculations show as falling to be made by a relevant authority to the Secretary of State exceeds that shown as falling to be made by the original calculations, or

(b) a payment the revised calculations show as falling to be made by the Secretary of State to a relevant authority is less than that shown as falling to be made by the original calculations.

(6) The authority must make a payment to the Secretary of State of an amount equal to the difference.

(7) Where the original calculations did not show that a relevant authority was to make a payment to the Secretary of State, but the revised calculations show that the authority is to make a payment to the Secretary of State--

(a) the authority must make that payment to the Secretary of State, and

(b) the authority must make a payment to the Secretary of State of an amount equal to the amount of the payment shown by the original calculations as falling to be made by the Secretary of State to the authority.

(8) Sub-paragraph (9) applies where--

(a) a payment the revised calculations show as falling to be made by a relevant authority to the Secretary of State is less than that shown as falling to be made by the original calculations, or

(b) a payment the revised calculations show as falling to be made by the Secretary of State to a relevant authority exceeds that shown as falling to be made by the original calculations.

(9) The Secretary of State must make a payment to the authority of an amount equal to the difference.

(10) Where the original calculations did not show that the Secretary of State was to make a payment to a relevant authority, but the revised calculations show that the Secretary of State is to make a payment to the authority--

(a) the Secretary of State must make that payment to the authority, and

(b) the Secretary of State must make a payment to the authority of an amount equal to the amount of the payment shown by the original calculations as falling to be made by the authority to the Secretary of State.

(11) A payment by a relevant authority to the Secretary of State under sub-paragraph (1) *for a relevant year*--

(a) must be made on or before such day in ~~the year to which the local government finance report relates~~ *the relevant year*, and in such manner, as the Secretary of State may specify, and

(b) if not made on or before that day, is recoverable in a court of competent jurisdiction.

(12) A payment by the Secretary of State to a relevant authority under sub-paragraph (2) *for a relevant year* must be made--

(a) in instalments of such amounts, and

(b) at such times in ~~the year to which the local government finance report relates~~ *the relevant year*,

as the Secretary of State determines with the Treasury's consent.

(13) A payment by a relevant authority to the Secretary of State under sub-paragraph (6) or (7) *for a relevant year*--

(a) must be made on or before such day after the end of ~~the year to which the local government finance report relates~~ *the relevant year*, and in such manner, as the Secretary of State may specify, and

(b) if not made on or before that day, is recoverable in a court of competent jurisdiction.

(14) A payment by the Secretary of State to a relevant authority under sub-paragraph (9) or (10) *for a relevant year* must be made--

(a) at such time, or

(b) in instalments of such amounts and at such times,

as the Secretary of State determines with the Treasury's consent; but any such time must fall after the end of ~~the year to which the local government finance report relates~~ *the relevant year*.

~~Amending reports~~ *Amending statements*

15

~~(1) After a local government finance report has been made, the Secretary of State may, at any time before the end of the year following the year to which the report relates, make in relation to the report one or more amending reports under this paragraph.~~

~~(2) An amending report under this paragraph must contain amendments to the basis of calculation specified in the local government finance report.~~

(1) After a principles of allocation statement has been made, the Secretary of State may make an amending statement for such relevant year or years as are specified in the amending statement.

(2) An amending statement under this paragraph for a relevant year must contain amendments to the principles of allocation specified for the year in the principles of allocation statement.

(2A) An amending statement for a relevant year—

(a) may be made at any time before the end of the year following the relevant year, but

(b) may not be made for any relevant year following the year in which the amending statement is made.

(2B) Only one amending statement may be made for each relevant year.

~~(3) Before making the report, the Secretary of State must notify such representatives of local government as the Secretary of State thinks fit of the general nature of the amendments the Secretary of State proposes to make.~~

(3) Before making an amending statement, the Secretary of State must consult such representatives of local government as the Secretary of State thinks fit about the general nature of the amendments the Secretary of State proposes to make.

~~(4) The Secretary of State must lay, or make arrangements for laying, the report before the House of Commons.~~

~~(5) As soon as is reasonably practicable after the report is laid before the House of Commons~~ *after making an amending statement under this paragraph*, the Secretary of State must send a copy of the report *amending statement* to each relevant authority.

~~(6) Where an amending report under this paragraph has been approved by resolution of the House of Commons, the Secretary of State may not make a subsequent amending report under this paragraph in relation to the same local government finance report.~~

~~**Calculations following amending report**~~ **Calculations following amending statement**

16

~~(1) This paragraph applies if an amending report for a year made under paragraph 15 is approved by resolution of the House of Commons.~~ *if an amending statement for a year is made under paragraph 15.*

~~(2) As soon as is reasonably practicable after the amending report has been approved~~ *after making the amending statement*, the Secretary of State must--

(a) calculate which relevant authorities are to make payments under this Part of this Schedule to the Secretary of State for the year,

(b) calculate which relevant authorities are to receive payments under this Part of this Schedule from the Secretary of State for the year, and

(c) calculate the amount of each payment within paragraph (a) or (b).

(3) Subject as follows, the Secretary of State may make *for the year* one further set of calculations of the kind described in sub-paragraph (2).

(4) The power to make a further set of calculations under sub-paragraph (3) *for a year* is not exercisable after whichever is the later of--

(a) the end of the year following ~~the year to which the amending report relates~~ *that year*, and

(b) the end of the period of 3 months beginning with the day on which the ~~amending report is approved by resolution of the House of Commons.~~ *amending statement is made.*

(5) Calculations under this paragraph must be made in accordance with the ~~basis of calculation specified in the local government finance report as amended by the amending report.~~ *principles of allocation specified in the principles of allocation statement as amended by the amending statement.*

(6) As soon as is reasonably practicable after making calculations under sub-paragraph (2) or (3), the Secretary of State must notify each relevant authority of--

(a) whether any payments are to be made by the authority to the Secretary of State in accordance with the calculations,

(b) whether any payments are to be made to the authority by the Secretary of State in accordance with the calculations, and

(c) if any payments are to be made by or to the authority, the amount of each payment.

~~Payments following amending report~~ *Payments following amending statement*

17

(1) This paragraph applies if calculations ("the revised calculations") are made under paragraph 16(2) or (3) for a year.

(2) In this paragraph "the relevant previous calculations" means the last calculations of the kind referred to in paragraph 13(2) or (3) or 16(2) made for the year.

(3) Sub-paragraph (4) applies where--

(a) a payment shown by the revised calculations as falling to be made by a relevant authority to the Secretary of State exceeds that shown as falling to be made by the relevant previous calculations, or

(b) a payment shown by the revised calculations as falling to be made by the Secretary of State to a relevant authority is less than that shown as falling to be made by the relevant previous calculations.

(4) The authority must make a payment to the Secretary of State of an amount equal to the difference.

(5) Where the relevant previous calculations did not show that a relevant authority was to make a payment to the Secretary of State, but the revised calculations show that the authority is to make a payment to the Secretary of State--

(a) the authority must make that payment to the Secretary of State, and

(b) the authority must make a payment to the Secretary of State of an amount equal to the amount of the payment shown by the relevant previous calculations as falling to be made by the Secretary of State to the authority.

(6) Sub-paragraph (7) applies where--

(a) a payment shown by the revised calculations as falling to be made by a relevant authority to the Secretary of State is less than that shown as falling to be made by the relevant previous calculations, or

(b) a payment shown by the revised calculations as falling to be made by the Secretary of State to a relevant authority exceeds that shown as falling to be made by the relevant previous calculations.

(7) The Secretary of State must make a payment to the authority of an amount equal to the difference.

(8) Where the relevant previous calculations did not show that the Secretary of State was to make a payment to a relevant authority, but the revised calculations show that the Secretary of State is to make a payment to the authority--

(a) the Secretary of State must make that payment to the authority, and

(b) the Secretary of State must make a payment to the authority of an amount equal to the amount of the payment shown by the relevant previous calculations as falling to be made by the authority to the Secretary of State.

(9) A payment by a relevant authority to the Secretary of State under this paragraph--

(a) must be made on or before such day after the end of the year in which the ~~amending report~~ *amending statement* was made, and in such manner, as the Secretary of State may specify, and

(b) if not made on or before that day, is recoverable in a court of competent jurisdiction.

(10) A payment by the Secretary of State to a relevant authority under this paragraph must be made--

(a) at such time, or

(b) in instalments of such amounts and at such times,

as the Secretary of State determines with the Treasury's consent; but any such time must fall after the end of the year in which the ~~amending report~~ *amending statement* was made.

Relationship with other provisions

18

This Part is subject to Parts 9 (pooling of authorities) and 10 (designation of areas and classes of hereditament).

~~PART 6: LEVY ACCOUNTS~~

~~Levy accounts~~

~~19~~

~~(1) The Secretary of State must, for each year, keep an account, to be called a "levy account".~~

~~(2) Each such account must be kept in accordance with the provisions of this Schedule that apply to a levy account.~~

~~(3) The Secretary of State—~~

~~(a) must keep each such account in such form as the Treasury may direct, and~~

~~(b) must, at such time as the Treasury may direct, send copies of each such account to the Comptroller and Auditor General.~~

~~(4) The Comptroller and Auditor General—~~

~~(a) must examine, certify and report on any account of which copies are sent to the Comptroller and Auditor General under sub-paragraph (3), and~~

~~(b) must arrange for copies of the account and of the Comptroller and Auditor General's report on it to be laid before each House of Parliament.~~

~~Credits and debits~~

~~20~~

~~(1) For each year the following are to be credited (as items of account) to the levy account kept for the year—~~

~~(a) amounts received by the Secretary of State in the year under paragraph 24 (levy payments), and~~

~~(b) amounts received by the Secretary of State in the year under regulations under paragraph 28 (payments on account).~~

~~(2) If a local government finance report for a year has been approved by resolution of the House of Commons, and that report provides for an amount to be credited to the levy account kept for the year, that amount may be credited (as an item of account) to that account.~~

~~(3) For each year the following are to be debited (as items of account) to the levy account kept for the year—~~

~~(a) payments made by the Secretary of State in the year under paragraph 27 (safety net payments),~~

~~(b) payments made by the Secretary of State in the year under regulations under paragraph 28, and~~

~~(c) payments made by the Secretary of State in the year under paragraph 30 (distribution of remaining balance).~~

~~End of year calculations~~

~~21~~

~~(1) As soon as is reasonably practicable after the end of each year, the Secretary of State must calculate—~~

~~(a) the aggregate of the items of account credited to the levy account kept for the year, and~~

~~(b) the aggregate of the items of account debited to the levy account kept for the year.~~

~~(2) If the aggregate mentioned in sub-paragraph (1)(a) exceeds that mentioned in sub-paragraph (1)(b), an amount equal to the excess must be—~~

~~(a) debited (as an item of account) to the levy account kept for the year, and~~

~~(b) credited (as an item of account) to the levy account kept for the next year.~~

~~(3) If the aggregate mentioned in sub-paragraph (1)(b) exceeds that mentioned in sub-paragraph (1)(a), an amount equal to the excess must be—~~

~~(a) credited (as an item of account) to the levy account kept for the year, and~~

~~(b) debited (as an item of account) to the levy account kept for the next year.~~

PART 7: ~~LEVY PAYMENTS, SAFETY NET PAYMENTS AND DISTRIBUTION OF REMAINING BALANCE SAFETY NET PAYMENTS~~

~~Regulations about calculation of levy payments~~

22

~~(1) The Secretary of State may by regulations make provision for calculating--~~

~~(a) whether a relevant authority is required to make a payment under this Part of this Schedule (a "levy payment") to the Secretary of State for a year, and~~

~~(b) if so, the amount of the levy payment.~~

~~(2) The regulations must make provision for calculations for a year to be made after the end of that year.~~

~~(3) The regulations may, in particular, make provision for calculations in relation to a relevant authority to be made--~~

~~(a) if the relevant authority is a billing authority, by reference to the total payable to it in respect of the year under sections 43 and 45, subject to such adjustments as may be specified in the regulations;~~

~~(b) if the relevant authority is a major precepting authority, by reference to the total of the amounts payable in respect of the year under those sections to the billing authorities that are required to make payments to it for the year under regulations under paragraph 9, subject to such adjustments as may be specified in the regulations;~~

~~(c) by reference to payments of a kind specified in the regulations made to the authority by the Secretary of State;~~

~~(d) by reference to such other factors as may be specified in the regulations.~~

~~(4) The regulations may, in particular, make provision for adjustments to an amount calculated under provision made under sub-paragraph (3) by reference to changes affecting the calculation of such an amount for an earlier year but not taken into account in that calculation.~~

Calculation of levy payments

23

~~(1) The Secretary of State must calculate in relation to each relevant authority--~~

~~(a) whether it is required to make a levy payment for a year, and~~

~~(b) if so, the amount of that payment.~~

~~(2) The calculation must be made—~~

~~(a) as soon as is reasonably practicable after the end of the year, or~~

~~(b) if the authority is subject to a requirement imposed by a direction under paragraph 43 (direction to make calculations or supply information) or by or under regulations under paragraph 44 (regulations about calculations and supply of information) for the purposes of this paragraph, as soon as is reasonably practicable after the time for compliance with that requirement,~~

~~whichever is the later.~~

~~(3) The calculation must be made in accordance with regulations under paragraph 22.~~

~~(4) As soon as is reasonably practicable after making a calculation in relation to a relevant authority, the Secretary of State must notify that authority of—~~

~~(a) whether, in accordance with the calculation, it is required to make a levy payment for the year, and~~

~~(b) if so, the amount of that payment in accordance with the calculation.~~

~~Levy payments following calculations~~

24

~~(1) If a calculation under paragraph 23 shows that a levy payment is to be made to the Secretary of State by a relevant authority, the authority must make that payment to the Secretary of State.~~

~~(2) The levy payment—~~

~~(a) must be made on or before such day and in such manner as the Secretary of State may specify, and~~

~~(b) if not made on or before that day, is recoverable in a court of competent jurisdiction.~~

Regulations about calculation of safety net payments

25

(1) The Secretary of State may by regulations make provision for calculating--

(a) whether the Secretary of State is required to make a payment under this Part of this Schedule (a "safety net payment") to a relevant authority for a year, and

(b) if so, the amount of the payment.

~~(2) The regulations must make provision for calculations for a year to be made after the end of that year.~~

(2) The regulations may, in particular, make provision about the timing of calculations for a year.

(3) The regulations may, in particular, make provision for calculations in relation to a relevant authority to be made--

(a) if the relevant authority is a billing authority, by reference to the total payable to it in respect of the year under sections 43 and 45, subject to such adjustments as may be specified in the regulations;

(b) if the relevant authority is a major precepting authority, by reference to the total of the amounts payable in respect of the year under those sections to the billing authorities that are required to make payments to it for the year under regulations under paragraph 9, subject to such adjustments as may be specified in the regulations;

(c) by reference to payments of a kind specified in the regulations made to the authority by the Secretary of State;

(d) by reference to such other factors as may be specified in the regulations *(including estimates of any of the amounts mentioned in paragraphs (a) to (c)).*

(4) The regulations may, in particular, make provision for adjustments to an amount calculated under provision made under sub-paragraph (3) by reference to changes affecting the calculation of such an amount for an earlier year but not taken into account in that calculation.

Calculation of safety net payments

26

(1) The Secretary of State must calculate in relation to each relevant authority--

(a) whether the Secretary of State is required to make a safety net payment to the authority for the year, and

(b) if so, the amount of that payment.

~~(2) The calculation must be made--~~

~~(a) as soon as is reasonably practicable after the end of the year, or~~

~~(b) if the authority is subject to a requirement imposed by a direction under paragraph 43 (direction to make calculations or supply information) or by or under regulations under paragraph 44 (regulations about calculations and~~

~~supply of information) for the purposes of this paragraph, as soon as is reasonably practicable after the time for compliance with that requirement,~~

~~whichever is the later.~~

(3) The calculation must be made in accordance with regulations under paragraph 25.

(4) As soon as is reasonably practicable after making a calculation under this paragraph in relation to a relevant authority, the Secretary of State must notify that authority of--

(a) whether, in accordance with the calculation, the Secretary of State is required to make a safety net payment to the authority for the year, and

(b) if so, the amount of that payment in accordance with the calculation.

~~(5) This paragraph is subject to regulations under paragraph 28 (payments on account).~~

Safety net payments following calculations

27

(1) If a calculation under paragraph 26 shows that a safety net payment is to be made by the Secretary of State to a relevant authority, the Secretary of State must make that payment to the authority.

(1A) The Secretary of State may by regulations make provision about the time and manner in which a safety net payment is to be made (including for payment by instalments).

~~(2) The safety net payment must be made in instalments of such amounts, and at such times, as the Secretary of State determines with the Treasury's consent.~~

~~(3) This paragraph is subject to regulations under paragraph 28 (payments on account).~~

Safety net reconciliation payments

27A

(1) The Secretary of State may by regulations make provision for a payment (a "safety net reconciliation payment") to be made by the Secretary of State to a relevant authority, or by a relevant authority to the Secretary of State, where—

(a) a calculation of a safety net payment is made by reference to an estimate of an amount, and

(b) it is subsequently determined that the actual amount is more or less than the estimate.

(2) The regulations may, in particular, make provision—

(a) for calculating whether a safety net reconciliation payment is to be made and, if so, the amount of the payment;

(b) about the timing of such a calculation;

(c) about the notification of the results of such a calculation to the relevant authority to whom it relates;

(d) about the time and manner in which such a payment is to be made (including for payment by instalments).

Regulations about payments on account

28

~~(1) The Secretary of State may by regulations make provision—~~

~~(a) for a relevant authority to request the Secretary of State to make a calculation before the end of a year of—~~

~~(i) whether the Secretary of State is likely to be required to make a safety net payment under paragraph 27 to the authority for the year, and~~

~~(ii) if so, the amount of the payment;~~

~~(b) about the time at which and the manner in which a request must be made, and the information that must be provided in connection with the request;~~

~~(c) about the circumstances in which the Secretary of State may or must make a calculation in response to a request;~~

~~(d) about the making of the calculation, including for the Secretary of State to make the calculation by reference to estimates of any of the amounts mentioned in paragraph 25(3).~~

~~(2) The regulations may make provision—~~

~~(a) about the timing of a calculation in response to a request;~~

~~(b) about the notification of the results of the calculation to the relevant authority to whom it relates;~~

~~(c) for the making, as a result of the calculation, of a payment (a "payment on account") to the authority before the end of the year to which the calculation relates.~~

~~(3) The regulations may, in particular—~~

~~(a) make provision in relation to a calculation that is similar to that made by paragraph 26, or apply that paragraph with modifications in relation to such a calculation;~~

~~(b) make provision in relation to a payment on account that is similar to that made by paragraph 27, or apply that paragraph with modifications in relation to such a payment.~~

~~(4) The regulations may make provision—~~

~~(a) about the calculation under paragraph 26 to be made in relation to a relevant authority for a year where a payment on account has been made to the authority for the year;~~

~~(b) for the making of a further payment by the Secretary of State to the authority, or of a payment by the authority to the Secretary of State, as a result of that calculation.~~

Calculation of remaining balance on levy account

29

~~(1) The Secretary of State must, in each year other than the first year for which the levy account is kept, calculate whether there is a remaining balance on the levy account for the year in accordance with sub-paragraphs (2) to (4).~~

~~(2) The calculation must be made as soon as is reasonably practicable after—~~

~~(a) all of the calculations required by paragraph 23(1) (calculations of levy payments) have been made for the previous year,~~

~~(b) all of the calculations required by paragraph 26(1) (calculations of safety net payments) have been made for the previous year, and~~

~~(c) all of the calculations required by regulations under paragraph 28 (calculations of safety net payments on account) have been made for the year.~~

~~(3) The calculation must be made as follows—~~

Step 1

~~Calculate the aggregate of the amounts of all of the levy payments calculated for the previous year under paragraph 23(1).~~

~~Step 2~~

~~Add any amount credited to the levy account for the year in accordance with paragraph 21(2) (credit from previous year) to the amount found under step 1, or subtract any amount debited to that account in accordance with paragraph 21(3) (debit from previous year) from the amount found under step 1.~~

~~Step 3~~

~~Add to the amount found under steps 1 and 2 any amount credited to the levy account for the year in accordance with paragraph 20(2) (credit in accordance with local government finance report).~~

~~Step 4~~

~~Subtract from the amount found under steps 1 to 3 the aggregate of the amounts of all the safety net payments calculated for the previous year under paragraph 26(1).~~

~~Step 5~~

~~Subtract from the amount found under steps 1 to 4 the aggregate of all the payments to be made by the Secretary of State under regulations under paragraph 28(4)(b) (adjustments following safety net payment on account).~~

~~Step 6~~

~~Add to the amount found under steps 1 to 5 the aggregate of all the payments to be made to the Secretary of State under regulations under paragraph 28(4)(b).~~

~~Step 7~~

~~Subtract from the amount found under steps 1 to 6 the aggregate of all the payments on account to be made in the year under regulations under paragraph 28.~~

~~(4) If the amount found under step 7 in sub paragraph (3) is a positive amount, that is the remaining balance on the levy account for the year.~~

~~(5) Sub paragraph (6) applies if, in the first year for which the levy account is kept—~~

~~(a) an amount is credited to the levy account for the year in accordance with paragraph 20(2), and~~

~~(b) that amount exceeds the aggregate of all the payments on account to be made in the year under regulations under paragraph 28.~~

~~(6) The amount of the excess is to be treated as the remaining balance on the levy account for the year.~~

Distribution of remaining balance

30

~~(1) The Secretary of State may determine that an amount equal to the whole or part of the remaining balance on a levy account for a year is to be distributed among one or more relevant authorities (rather than being treated in accordance with paragraph 21(2)).~~

~~(2) The Secretary of State may by regulations make provision about the basis ("the basis of distribution") on which an amount referred to in sub-paragraph (1) is to be distributed.~~

~~(3) If the Secretary of State makes a determination under sub-paragraph (1), the Secretary of State must calculate what amount (if any) falls to be paid to each relevant authority as its share of the amount referred to in that sub-paragraph.~~

~~(4) The calculations must be made—~~

~~(a) as soon as is reasonably practicable after the determination is made, and~~

~~(b) in accordance with the basis of distribution specified in the regulations.~~

~~(5) As soon as is reasonably practicable after making the calculations, the Secretary of State must notify each relevant authority of—~~

~~(a) whether a payment is to be made by the Secretary of State to the authority out of the amount referred to in sub-paragraph (1), and~~

~~(b) if such a payment is to be made, the amount of the payment.~~

~~(6) If the calculations show that a payment is to be made by the Secretary of State to a relevant authority, the Secretary of State must make that payment to the authority.~~

~~(7) A payment from the Secretary of State to a relevant authority under this paragraph must be made—~~

~~(a) at such time, or~~

~~(b) in instalments of such amounts and at such times,~~

~~as the Secretary of State determines with the Treasury's consent; but any such time must fall within the year to which the remaining balance relates.~~

Relationship with other provisions

31

This Part is subject to Parts 9 (pooling of authorities) and 10 (designation of areas and classes of hereditament).

PART 8: TRANSITIONAL PROTECTION PAYMENTS

Regulations about deemed and actual rating income

32

(1) The Secretary of State may by regulations make provision for calculating in accordance with the regulations--

(a) the total amount which would be payable to a billing authority in England in respect of a year under sections 43 and 45 if--

(i) regulations under section 57A (transitional relief following compilation of local rating list) were not in force for the year, and

(ii) the authority acted diligently, and

(b) the total amount which would be payable to a billing authority in England in respect of a year under sections 43 and 45 if the authority acted diligently.

(2) The regulations may include provision for adjustments to be made to an amount calculated under provision under sub-paragraph (1).

(3) The regulations may, in particular, make provision for adjustments to that amount by reference to changes affecting the calculation of such an amount for an earlier year but not taken into account in that calculation.

(4) In this Part of this Schedule--

(a) a billing authority's "deemed rating income" for a year means the amount calculated for the authority and the year under provision under sub-paragraph (1)(a) and (2), and

(b) a billing authority's "actual rating income" for a year means the amount calculated for the authority and the year under provision under sub-paragraph (1)(b) and (2).

Regulations about transitional protection payments

33

(1) The Secretary of State may by regulations make provision for the making of a payment (a "transitional protection payment") for a year--

(a) by the Secretary of State to a billing authority in England, or

(b) by a billing authority in England to the Secretary of State.

(2) The regulations must provide for the amount (if any) of a transitional protection payment in relation to an authority for a year to be calculated by reference to its deemed and actual rating income for the year, so that--

(a) if its deemed rating income for a year exceeds its actual rating income for the year, the Secretary of State is to be liable to make a transitional protection payment to the authority for the year of an amount equal to the excess;

(b) if its actual rating income for a year exceeds its deemed rating income for the year, the authority is to be liable to make a transitional protection payment to the Secretary of State for the year of an amount equal to the excess;

(c) if its deemed rating income for a year is equal to its actual rating income for the year, no transitional protection payment is to be made to or by the authority for the year.

(3) The regulations may, in particular, make provision--

(a) about the making of calculations, and the supply of information to the Secretary of State, by a billing authority in connection with the determination of the transitional protection payment (if any) to be made to or by the authority;

(b) about the assumptions and adjustments to be made, and the information to be taken into account, in making such calculations;

(c) about the consequences of non-compliance with provision under paragraph (a) or (b), including (in particular)--

(i) for the making by the Secretary of State of calculations, or of assumptions as to the information that would otherwise have been supplied by the authority;

(ii) for the suspension of payments to the authority.

(4) The regulations may, in particular, make provision--

(a) for the making by a billing authority or the Secretary of State of a payment on account of a transitional protection payment;

(b) for the calculation, where a payment on account has been made, of the amount of the final transitional protection payment (if any) to be made to or by the authority;

(c) for the certification of calculations made, or information supplied to the Secretary of State, by a billing authority in connection with the determination of the final transitional protection payment (if any) to be made to or by the authority;

(d) about the consequences where a certified calculation or certified information does not match that made or supplied by the authority, including (in particular) about the use of the certified calculation or certified information;

(e) about the making of financial adjustments where the final transitional protection payment to be made to or by the authority for the year is different from a payment on account made to or by the authority for the year.

(5) The regulations may confer power on the Secretary of State to give directions about the certification of calculations or information.

(6) The regulations may, in particular, make provision about the time and manner in which a payment under the regulations is to be made (including for payment by instalments), and as to the consequences of non-payment.

PART 8A: LOSS PAYMENTS

Regulations about loss payments

33A

(1) The Secretary of State may by regulations make provision for the making of loss payments to a relevant authority.

(2) A loss payment is—

(a) in the case of a billing authority, a payment made to the authority by the Secretary of State in connection with a reduction in the authority's actual rating income for one or more years ("relevant years") that results from an alteration of the authority's local non-domestic rating list under section 55;

(b) in the case of a major precepting authority, a payment made to the authority by the Secretary of State in connection with a reduction in a relevant billing authority's actual rating income for one or more years ("relevant years") that results from an alteration of the relevant billing authority's local non-domestic rating list under section 55.

(3) The regulations may, in particular, make provision—

(a) for calculating whether a loss payment is to be made to a relevant authority and, if so, the amount of the loss payment;

(b) about the timing of such a calculation;

(c) about the notification of the results of such a calculation to the relevant authority to whom it relates;

(d) about the time and manner in which a loss payment is to be made (including for payment by instalments).

(4) The provision that may be made by virtue of sub-paragraph (3)(a) includes, in particular, provision for making calculations in relation to a relevant authority by reference to—

(a) the total payable to the authority, or (in the case of a major precepting authority) a relevant billing authority, in respect of a relevant year under sections 43 and 45, subject to such adjustments as may be specified in the regulations;

(b) the rateable value for a relevant year of any hereditament in the authority's area or (in the case of a major precepting authority) a relevant billing authority's area;

(c) such other factors as may be specified in the regulations (including estimates of any of the amounts mentioned in paragraph (a) or (b)).

(5) The regulations may, in particular, make provision for the amount of a loss payment to be adjusted by reference to changes affecting the calculation of that or any other loss payment but not taken into account in that calculation.

(6) The regulations may, in particular, make provision—

(a) about the supply of information to the Secretary of State by a relevant authority in connection with the calculation of the loss payment (if any) to be made to the authority;

(b) about the consequences of non-compliance with provision under paragraph (a), including (in particular)—

(i) for the making by the Secretary of State of assumptions as to the information that would otherwise have been supplied by the authority;

(ii) for the suspension of payments to the authority;

(c) for the certification of information supplied to the Secretary of State by a relevant authority in connection with the calculation of the loss payment (if any) to be made to the authority;

(d) about the consequences where certified information does not match that supplied by the authority, including (in particular) about the use of the certified information.

(7) The regulations may confer power on the Secretary of State to give directions about the certification of information.

(8) In this paragraph “relevant billing authority”, in relation to a major precepting authority, means a billing authority required to make payments to the major precepting authority for a relevant year under regulations under paragraph 9.

PART 9: POOLING OF AUTHORITIES

Designation of pool of authorities

34

(1) The Secretary of State may, in accordance with this paragraph, designate two or more relevant authorities as a pool of authorities for the purposes of the provisions of this Schedule applying to such pools (as to which, see paragraphs 36, 37 and 38A and 37).

(1A) Before making a designation the Secretary of State must consult—

(a) every relevant authority that would be affected by the designation, and

(b) any other person appearing to the Secretary of State to have an interest in it.

~~(2) The Secretary of State may make a designation only if each authority covered by the designation has agreed to it.~~

~~(3) The Secretary of State—~~

~~(a) may revoke a designation (in particular if any condition of the designation is breached), and~~

~~(b) must do so if any authority covered by the designation asks the Secretary of State to do so.~~

(3) The Secretary of State may revoke a designation.

(4) Subject to sub-paragraph (5), a designation has effect--

(a) for the year beginning after it is made, and

(b) for each subsequent year, unless previously revoked.

(5) A designation or revocation has effect for a year only if it is made before the Secretary of State gives the notification for the year required by paragraph 12(2) ~~(notification of general basis of calculation to be specified in local government finance report for year), unless sub-paragraph (6) applies. paragraph 13(6)~~ *(notification of whether any payments are to be made by or to a relevant authority under paragraph 14(1) or (2)).*

~~(6) A revocation made after the Secretary of State has given that notification has effect for the year for which the notification was given if—~~

~~(a) it is made in response to a request under sub-paragraph (3)(b) made within the period of 28 days beginning with the date on which the notification was given, and~~

~~(b) it is made before the local government finance report for that year is laid before the House of Commons.~~

(7) After making or revoking a designation, the Secretary of State must notify the authorities covered by the designation.

(8) A notification under sub-paragraph (7) must be given before or at the same time as the Secretary of State gives the notification required by ~~paragraph 12(2)~~ *paragraph 13(6)* for the year to which the designation or revocation relates, ~~unless sub-paragraph (9) applies.~~

~~(9) A notification under sub-paragraph (7) of a revocation made in the circumstances described in sub-paragraph (6) must be given as soon as is reasonably practicable after it is made.~~

34A

(1) A designation under paragraph 34 must specify a lead authority to exercise the functions specified in the designation.

(2) The Secretary of State may vary a designation by—

(a) specifying a different authority as the lead authority,

(b) specifying additional functions to be exercised by the lead authority, or

(c) varying or removing any function specified in the designation under this paragraph.

(3) Before varying a designation under sub-paragraph (2), the Secretary of State must consult the authorities covered by the designation.

(4) After varying a designation under sub-paragraph (2), the Secretary of State must notify those authorities.

Designations subject to conditions

35

(1) A designation under paragraph 34 must be made *subject to one or more conditions requiring the authorities to which the designation relates, if it is revoked, to take the steps specified in the conditions before the revocation takes effect.* ~~subject to conditions—~~

~~(a) requiring the authorities to which it relates to appoint a lead authority to exercise the functions specified in the conditions, and~~

~~(b) requiring the authorities, if the designation is revoked, to take the steps specified in the conditions before the revocation takes effect.~~

(2) A designation under paragraph 34 may be made subject to such other conditions as the Secretary of State thinks fit.

(3) The Secretary of State may vary a designation by--

(a) adding a condition,

(b) modifying a condition, or

(c) removing a condition (other than one mentioned in sub-paragraph (1)).

(4) Before varying a designation under sub-paragraph (3), the Secretary of State must consult the authorities covered by the designation.

(5) After varying a designation under sub-paragraph (3), the Secretary of State must notify those authorities.

Effect of designation in relation to Part 5

36

(1) Where a designation of a pool of authorities has effect for a year, Part 5 of this Schedule (principal payments in connection with local retention of non-domestic rates) applies in relation to the pool as if--

(a) the authorities in the pool were not relevant authorities, but

(b) the pool were itself a relevant authority.

(2) Sub-paragraph (1) does not apply in relation to paragraph 15(5) (duty to send copy of ~~amending report~~ *amending statement* to each relevant authority).

(3) This paragraph does not prevent--

~~(a) the local government finance report for the year a principles of allocation statement, or an amending report under paragraph 15 in relation to that report an amending statement under paragraph 15 for any year specified in that principles of allocation statement, from also making provision in relation to the individual authorities in the pool for the year,~~

(b) the Secretary of State from making calculations based on the ~~local government finance report~~ *principles of allocation statement*, or any such ~~amending report~~ *amending statement*, in relation to each of those authorities, or

(c) the Secretary of State from notifying the results of the calculations to each of those authorities.

(4) But paragraphs 14 and 17 (payments following ~~reports~~ *statements*) do not apply in relation to such calculations.

Effect of designation in relation to Part 7

37

(1) Regulations under ~~paragraph 22, 25 or 28 (levy payments, safety net payments and safety net payments on account)~~ *paragraph 25 or 27A (safety net payments and reconciliation payments)* may provide for a pool of authorities to be treated as a relevant authority for the purposes of the regulations.

(2) Such regulations may, in particular, make provision--

(a) that is similar to provision which may be made under the paragraph in question apart from sub-paragraph (1) above, or

(b) that applies such provision with modifications.

~~(3) Where regulations under paragraph 22 apply to a pool of authorities for a year, paragraphs 23 and 24 (calculation and making of levy payments) apply in relation to the authorities and the year as if references in them to a relevant authority were to the pool.~~

(4) Where regulations under paragraph 25 apply to a pool of authorities for a year, paragraphs 26 and 27 (calculation and making of safety net payments) apply in relation to the authorities and the year as if references in them to a relevant authority were to the pool.

~~(5) Where a designation of a pool of authorities has effect for a year, paragraph 30 (distribution of remaining balance) applies in relation to the pool as if--~~

~~(a) the authorities in the pool were not relevant authorities, but~~

~~(b) the pool were itself a relevant authority.~~

~~(6) Regulations under paragraph 30 may provide for a pool of authorities to be treated as a relevant authority for the purposes of the regulations.~~

(7) This paragraph does not prevent--

(a) regulations under ~~paragraph 22, 25, 28 or 30~~ *paragraph 25 or 27A* from also making provision in relation to the individual authorities in a pool,

(b) the Secretary of State from making calculations under ~~paragraph 23, 26 or 30(3) based on such regulations~~ *under paragraph 26 based on regulations*

under paragraph 25, or calculations under regulations made under paragraph 27A, in relation to each of those authorities, or

(c) the Secretary of State from notifying the results of the calculations to each of those authorities.

~~(8) But paragraphs 24, 27 and 30(6) (payments following calculations) do not apply neither paragraph 27 (safety net payments following calculations), nor any requirement to make a payment under regulations under paragraph 27A, applies in relation to such calculations.~~

Further provisions about effect of designation

38

(1) A requirement under Part 5 or 7 of this Schedule in its application by virtue of paragraph 36 or 37 to notify a pool of authorities of any matter is a requirement to notify each authority in the pool of that matter.

(2) Where by virtue of either of those paragraphs a pool of authorities is required to make a payment to the Secretary of State, each authority in the pool is jointly and severally liable to make that payment.

(3) Where by virtue of either of those paragraphs the Secretary of State is required to make a payment to a pool of authorities, the payment is to be made to the lead authority ~~appointed in accordance with conditions under paragraph 35(1)~~ *specified in accordance with paragraph 34A.*

Designation of areas by pools of authorities

38A

(1) *The Secretary of State may by regulations—*

(a) provide that any pool of authorities specified in the regulations may designate one or more areas (a “designated area”) in the pool area (see sub-paragraph (2));

(b) provide for the calculation in accordance with the regulations, for each year for which the designation has effect, of the non-domestic rating income for the designated area (see sub-paragraph (3));

(c) provide for the calculation of a proportion of the non-domestic rating income for the designated area in accordance with the regulations;

(d) provide for the non-domestic rating income for the designated area, or that proportion of it, to be disregarded for the purposes of calculations under any of the following provisions—

- (i) paragraph 13 (determination of payments for a relevant year);*
- (ii) paragraph 16 (calculations following amending statement);*
- (iii) paragraph 26 (calculations of safety net payments);*
- (iv) regulations under paragraph 27A (safety net reconciliation payments).*

(2) In this paragraph the “pool area”, in relation to a pool of authorities designated under paragraph 34, means the area consisting of the areas of the authorities covered by the designation.

(3) Subject as follows, the non-domestic rating income for a designated area for a year is the total amount which, if each of the authorities in the pool acted diligently, would be payable to any of those authorities for the year under sections 43 and 45 in respect of the hereditaments within the designated area.

(4) The regulations may provide for the non-domestic rating income for a designated area, or any proportion calculated under subparagraph (1)(c), to be adjusted in accordance with the regulations (and references in this paragraph to the non-domestic rating income for a designated area, or any proportion of that income, include the income or proportion as adjusted in accordance with this provision).

(5) The regulations may, in particular, provide for adjustments to that income or that proportion by reference to changes affecting a calculation under regulations under this paragraph for an earlier year but not taken into account in that calculation.

(6) The regulations may, in particular, make provision—

(a) as to the period for which the power of a pool of authorities to designate areas under the regulations has effect;

(b) about the designation of areas by pools of authorities under the regulations, including (in particular)—

(i) any conditions that must be met before an area is designated, and

(ii) the period for which any designation of an area has effect;

(c) about the use of any amounts disregarded as mentioned in sub-paragraph (1)(d);

(d) enabling a pool of authorities to—

(i) alter the boundaries of any area designated by it under the regulations, or

(ii) reduce the period for which any designation made by it under the regulations has effect;

(e) for and in connection with the revocation by a pool of authorities of any designation made by it under the regulations, including (in particular) any conditions that must be met before a designation is revoked;

(f) in connection with a pool of authorities ceasing to have power to designate any areas under the regulations, including (in particular) provision for any designation made by the pool to continue to have effect in accordance with provision made by the regulations;

(g) in connection with any designation made by a pool of authorities under the regulations ceasing to have effect (whether as a result of revocation or otherwise).

(7) The provision that may be made by virtue of sub-paragraph (6)(b) includes, in particular, provision imposing restrictions on what areas may be designated by a pool of authorities, including (in particular) by reference to—

(a) the sum of the rateable values of the hereditaments that would fall within the designated area;

(b) the amount that would, if an area were designated under the regulations by the pool, be the non-domestic rating income for the designated area for a year;

(c) such other factors as may be specified in the regulations.

(8) The regulations may, in particular, make provision—

(a) about the supply of information by a pool of authorities to the Secretary of State in connection with the designation of any areas under the regulations, including (in particular) information about—

(i) any amounts disregarded as mentioned in subparagraph (1)(d),

(ii) any alteration of the boundaries of any area,

(iii) any reduction of the period for which any designation of an area has effect, or

(iv) the revocation of any designation of an area;

(b) for the certification of information supplied by a pool of authorities to the Secretary of State as mentioned in paragraph (a);

(c) about the consequences where certified information does not match that supplied by the pool, including (in particular) about the use of the certified information.

(9) The Secretary of State must consult a pool of authorities before—

- (a) specifying the pool in regulations under this paragraph;*
- (b) revoking any such regulations that specify the pool;*
- (c) amending any such regulations so as to vary—*
 - (i) the period for which the pool has power to designate areas under the regulations,*
 - (ii) the period for which any designation made by the pool has effect, or*
 - (iii) the amount of income to be disregarded as mentioned in sub-paragraph (1)(d) in relation to the pool.*

PART 10: DESIGNATION OF AREAS AND CLASSES OF HEREDITAMENT

Designation of areas

39

(1) The Secretary of State may by regulations--

- (a) designate one or more areas in England (a "designated area");
- (b) provide for the calculation in accordance with the regulations, for each year for which the designation has effect and in relation to each billing authority all or part of whose area falls within a designated area, of the amount mentioned in sub-paragraph (2);
- (c) provide for the calculation of a proportion of that amount in accordance with the regulations;
- (d) provide for that amount or that proportion to be disregarded for the purposes of calculations under any of the following provisions in its application to the authority for that year--
 - ~~(i) paragraph 6 (payments in respect of the central share);~~
 - ~~(ii) regulations under paragraph 7 (administrative arrangements for payments in respect of the central share);~~
 - (iii) regulations under paragraph 9 (payments by billing authorities to major precepting authorities);
 - (iv) regulations under paragraph 10 (administrative arrangements for payments by billing authorities to major precepting authorities);
 - ~~(v) paragraph 13 (calculations following local government finance report) (determination of payments for a relevant year);~~

(vi) paragraph 16 (calculations following ~~amending report~~ *amending statement*);

~~(vii) paragraph 23 (calculations of levy payments);~~

(viii) paragraph 26 (calculations of safety net payments);

(viiiia) regulations under paragraph 27A (safety net reconciliation payments).

~~(ix) regulations under paragraph 28 (calculations of payments on account);~~

~~(x) paragraph 30 (calculations relating to distribution of remaining balance).~~

(2) Subject as follows, the amount referred to in sub-paragraph (1)(b) is the total amount which, if the authority acted diligently, would be payable to it for the year under sections 43 and 45 in respect of the hereditaments within the designated area.

(3) The regulations may provide for that amount, or any proportion calculated under sub-paragraph (1)(c), to be adjusted in accordance with the regulations (and references in this paragraph to that amount or proportion include the amount or proportion as adjusted in accordance with such provision).

(4) The regulations may, in particular, provide for adjustments to that amount or that proportion by reference to changes affecting a calculation under regulations under this paragraph for an earlier year but not taken into account in that calculation.

(5) The regulations must--

(a) specify the date on which the designation takes effect, which must be the first day of a year, or

(b) provide that the designation is to take effect on the first day of the first year after specified conditions have been met.

(6) Conditions under sub-paragraph (5)(b) may require compliance with specifications or requirements contained in a document of a specified kind.

(7) If the regulations make provision under sub-paragraph (5)(b), they must provide that they will cease to have effect at the end of a specified period unless the conditions are met by the end of that period.

(8) The regulations may specify the years for which the designation has effect.

(9) If the regulations contain provision under sub-paragraph (8)--

(a) amendments within sub-paragraph (10) may not be made to the regulations unless (in the case of amendments within paragraph (a), (b) or (c)

of that sub-paragraph) the amendments are expressed to come into force after the end of that period, and

(b) the regulations may not be revoked unless the revocation is expressed to come into force after the end of that period.

(10) The amendments mentioned in sub-paragraph (9)(a) are those which have the effect of--

(a) altering the boundaries of a designated area,

(b) where provision made under paragraph (d) of sub-paragraph (1) has the effect that the amount referred to in that paragraph is to be disregarded, providing for a proportion of that amount to be disregarded,

(c) where provision made under that paragraph has the effect that a proportion is to be disregarded, reducing that proportion, or

(d) reducing the period for which the designation has effect.

(11) Regulations under this paragraph must specify each area designated by the regulations by means of a plan or map (whether or not each area is specified by any other means).

(12) An area may be designated by regulations under this paragraph by reference to such factors as the Secretary of State thinks fit.

(13) The consent of the Treasury is required to regulations under this paragraph.

(14) In this paragraph "specified" means specified in the regulations.

Designation of classes of hereditament

40

(1) The Secretary of State may by regulations--

(a) designate one or more classes of hereditaments in England (a "designated class");

(b) provide for the calculation in accordance with the regulations, for each year for which the designation has effect and in relation to each billing authority whose area includes hereditaments within the designated class, of the amount mentioned in sub-paragraph (2);

(c) provide for the calculation of a proportion of that amount in accordance with the regulations;

(d) provide for that amount or that proportion to be disregarded for the purposes of calculations under any of the following provisions in its application to the authority for that year--

~~(i) paragraph 6 (payments in respect of the central share);~~

~~(ii) regulations under paragraph 7 (administrative arrangements for payments in respect of the central share);~~

(iii) regulations under paragraph 9 (payments by billing authorities to major precepting authorities);

(iv) regulations under paragraph 10 (administrative arrangements for payments by billing authorities to major precepting authorities);

~~(v) paragraph 13 (calculations following local government finance report) (*determination of payments for a relevant year*);~~

(vi) paragraph 16 (calculations following ~~amending report~~ *amending statement*);

~~(vii) paragraph 23 (calculations of levy payments);~~

(viii) paragraph 26 (calculations of safety net payments);

(viiia) regulations under paragraph 27A (safety net reconciliation payments).

~~(ix) regulations under paragraph 28 (calculations of payments on account);~~

~~(x) paragraph 30 (calculations relating to distribution of remaining balance).~~

(2) Subject as follows, the amount referred to in sub-paragraph (1)(b) is the total amount which, if the authority acted diligently, would be payable to it for the year under sections 43 and 45 in respect of the hereditaments within the designated class.

(3) The regulations may provide for that amount, or any proportion calculated under sub-paragraph (1)(c), to be adjusted in accordance with the regulations (and references in this paragraph to that amount or proportion include the amount or proportion as adjusted in accordance with such provision).

(4) The regulations may, in particular, provide for adjustments to that amount or that proportion by reference to changes affecting a calculation under regulations under this paragraph for an earlier year but not taken into account in that calculation.

(5) The regulations may include provision imposing duties or conferring powers on valuation officers (whether as regards determinations, certificates or otherwise) for the purpose of the calculation referred to in sub-paragraph (1)(c).

(6) The regulations--

(a) must specify the date on which the designation takes effect (which must be at the beginning of a year), and

(b) may specify the years for which the designation has effect.

(7) A class may be designated by regulations under this paragraph by reference to such factors as the Secretary of State thinks fit.

(8) Before making regulations under this paragraph the Secretary of State must consult such persons as the Secretary of State thinks fit.

(9) The fact that this paragraph was not in force when consultation in relation to proposed regulations under it took place is to be disregarded in determining whether there has been compliance with sub-paragraph (8).

(10) The consent of the Treasury is required to regulations under this paragraph.

Payments to relevant authorities

41

(1) Regulations under paragraph 39 or 40 may make provision for a billing authority to make a payment for a year to a relevant authority of an amount equal to the whole or part of the amount or proportion that, in relation to the billing authority and the year, is to be disregarded for the purposes of the calculations mentioned in paragraph 39(1)(d) or 40(1)(d) (as the case may be).

(2) Sub-paragraph (3) applies where the regulations include provision for payments to be made in accordance with sub-paragraph (1) to two or more relevant authorities.

(3) The regulations may include provision for imposing duties or conferring powers on valuation officers (whether as regards determinations, certificates or otherwise) for the purpose of arriving at the amounts of those payments.

(4) The regulations may make provision about the administration of payments to relevant authorities under the regulations.

(5) The regulations may, in particular, make provision in relation to payments to relevant authorities of the same kind as the provision that may be made under sub-paragraph (2) of paragraph 10 in relation to payments to major precepting authorities to which that sub-paragraph applies.

Estimates of amounts to be disregarded

42

(1) The Secretary of State may by regulations make provision for--

(a) calculations of a kind mentioned in paragraph 39(1)(d) or 40(1)(d) to be made on the basis of an estimate of an amount or proportion that is to be disregarded under regulations under that paragraph;

(b) for the making of a payment by the Secretary of State to a billing authority or vice versa where it is subsequently determined that the amount or proportion to be disregarded is more or less than the amount of the estimate.

(2) Regulations under this paragraph may make provision about the administration of payments under the regulations, including as to--

(a) the time and manner in which a payment is to be made, and

(b) the consequences of non-payment.

PART 11: SUPPLEMENTARY

Calculations and supply of information by relevant authorities

43

(1) The Secretary of State may, for the purposes of any provision of or made under this Schedule or Part 6 (funds) so far as applying to non-domestic rates, direct a relevant authority to make calculations, or to supply information to the Secretary of State, in accordance with the direction.

(2) The direction may require the calculations to be made, or the information to be supplied, before such time as is specified in the direction.

(3) The direction may require the calculations or information to be certified in accordance with the direction.

(4) If a relevant authority does not comply with a direction under this paragraph, the Secretary of State may make the calculations that the Secretary of State thinks would have been made, or make assumptions as to the information that would have been supplied, by the authority if it had complied with the direction.

(5) If the Secretary of State proceeds under sub-paragraph (4), the Secretary of State must notify the authority--

(a) of that fact, and

(b) of the calculations or assumptions that the Secretary of State has made.

(6) If any calculation or information certified in accordance with a direction under this paragraph does not match that made or supplied by the authority in question, the Secretary of State may use the certified calculation or information.

(7) If the Secretary of State proceeds under sub-paragraph (6), the Secretary of State must notify the authority of that fact.

(8) For the purposes of any provision made by or under Part 5 or 7 of this Schedule that applies to pools of authorities, this paragraph has effect as if references to a relevant authority included a reference to such a pool.

(9) Where sub-paragraph (5) or (7) applies to a pool of authorities by virtue of sub-paragraph (8), the Secretary of State must notify each relevant authority in the pool of the matters in question.

Regulations about calculations and supply of information

44

The Secretary of State may by regulations--

(a) make any provision that could be made by a direction under paragraph 43;

(b) make provision for the Secretary of State to give a direction that could be given under that paragraph;

(c) make any provision made by that paragraph in relation to a direction under it--

(i) in relation to provision made by regulations under this paragraph, or

(ii) in relation to a direction given by the Secretary of State under regulations under this paragraph.

Interpretation of Schedule

45

In this Schedule--

"actual rating income", in relation to a billing authority, has the meaning given by paragraph 32(4)(b);

~~"basis of calculation" has the meaning given by paragraph 12(1);~~

~~"the central share" has the meaning given by paragraph 4;~~

"deemed rating income", in relation to a billing authority, has the meaning given by paragraph 32(4)(a);

~~"local government finance report" has the meaning given by paragraph 5(1);~~

~~"the local share" has the meaning given by paragraph 4;~~

~~"levy account" has the meaning given by paragraph 19(1);~~

~~"levy payment" has the meaning given by paragraph 22(1);~~

~~"main non-domestic rating account" has the meaning given by paragraph 1(1);~~

a "pool of authorities" means two or more relevant authorities designated as a pool of authorities under paragraph 34;

"principles of allocation" has the meaning given by paragraph 12(1);

"principles of allocation statement" has the meaning given by paragraph 12(1A);

"relevant authority" means--

- (a) a billing authority in England, or
- (b) a major precepting authority in England;

"relevant year", in relation to a principles of allocation statement, has the meaning given by paragraph 12(1B);

"safety net payment" has the meaning given by paragraph 25(1);

"safety net reconciliation payment" has the meaning given by paragraph 27A(1);

"year" means a chargeable financial year.