EXPLANATORY MEMORANDUM TO

THE NON-DOMESTIC RATING CONTRIBUTIONS (ENGLAND) (AMENDMENT) REGULATIONS 2004

2004 No.3234

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

2. Description

This Order makes provision in relation to the contributions to be made to the national non-domestic rating pool.

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

None.

4. Legislative Background

This Order is being made under the powers in section 143(1) and (2) of, and paragraphs 4 and 6 of Schedule 8 to, the Local Government Finance Act 1988.

5. Extent

This instrument applies to England only.

6. European Convention on Human Rights

Not applicable.

7. Policy background

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

7.2 These Regulations amend the rules for calculation of non-domestic rating contributions and the assumptions to be made in calculating the provisional amount of the non-domestic rating contributions contained in the Non-Domestic Rating Contributions (England) Regulations 1992 ("the 1992 Regulations"), for financial years beginning on or after 1st April 2005. They make amendments in relation to the national cost of collection figure; the cost factors; the buoyancy factor, and the losses in collection percentages. These

figures are revisited each year to take account of last year's performance by local authorities.

8. Impact

A Regulatory Impact Assessment has not been produced, as the SI is technical and aimed at billing authorities. It imposes no costs or savings on businesses, charities or the voluntary sector.

9. Contact

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