STATUTORY INSTRUMENTS

1977 No. 454

RATING AND VALUATION

The Rate Product (Amendment) Rules 1977

Made - - - -	11*th March* 1977
Laid before Parliament	11*th March* 1977
Coming into Operation	1*st April* 1977

The Secretary of State for the Environment, after consultation with the local authorities and the associations of local authorities with whom consultation appeared to him to be desirable, in exercise of the powers conferred by sections 113 and 114 of the General Rate Act 1967**(a)** and now vested in him**(b)** and of all other powers enabling him in that behalf, hereby makes the following rules:—

1. These rules may be cited as the Rate Product (Amendment) Rules 1977 and shall come into operation on 1st April 1977.

2. The Rate Product Rules 1974**(c)** shall be amended in accordance with the following provisions of these rules.

3. In the Schedule—

(*a*) for paragraph 2 there shall be substituted the following:—

"2.—(1) Subject to the following provisions of this paragraph, the product of a rate of one penny in the pound for any area for any year shall be determined by deducting from the gross rate income the cost of collection and the loss on collection and dividing the remainder by the total of the pence in the pound of the rate or rates made in respect of the year (disregarding any reductions in poundage made in pursuance of section 48 of the principal Act).

(2) In the case of part of the rating area the product of a rate of one penny in the pound shall be the sum of the product of a rate of one penny in the pound calculated under sub-paragraph (1) above for that part and the product of a rate of one penny in the pound on the rateable value in that part of any gas or electricity hereditament if the rateable value in that part falls to be ascertained under paragraph 3(1A) of this Schedule.

(3) If the total of the pence in the pound of the rates is not the same throughout the area the rating authority shall calculate in accordance with sub-paragraph (1) above the product of a rate of one penny in the pound separately for each part of the area in which a different total has been levied, and the product of a rate of

(a) 1967 c. 9. **(b)** S.I. 1970/1681 (1970 III, p. 5551).
(c) S.I. 1974/364 (1974 I, p. 1184).

one penny in the pound for that area shall be the sum of the products of rates of one penny in the pound as so calculated, and

(*a*) in the case of the rating area as a whole, the product of a rate of one penny in the pound on the rateable value of any gas or electricity hereditament, or

(*b*) in the case of part of the rating area, the product of a rate of one penny in the pound on the rateable value in that part of any gas or electricity hereditament if the rateable value in that part falls to be ascertained under paragraph 3(1A) of this Schedule.";

(*b*) in paragraph 3(1)(*a*) the words "or 47" shall be omitted;

(*c*) after paragraph 3(1) there shall be inserted the following sub-paragraph:—

"(1A) For the purposes of head (*a*) of sub-paragraph (1) of this paragraph in its application for the purposes of paragraph 11 (precepts by water authorities) and Part III (calculation of appropriate penny rate product) of Schedule 5 to the Water Act 1973**(a)** only, the rateable value in part of a rating area of a gas or electricity hereditament shall be taken to be the value which bears to the rateable value of the hereditament in the whole of the rating area the same proportion as the aggregate rateable value of all the hereditaments (other than gas and electricity hereditaments) in that part, as shown in the Valuation List at the beginning of the year bears to the aggregate rateable value of all such hereditaments in the whole of the rating area, as so shown.";

(*d*) in paragraph 3(2), for the words "the foregoing sub-paragraph" there shall be substituted the words "sub-paragraph (1) of this paragraph" and the words "the sum of (*a*)" and sub-paragraph (*b*) shall be omitted;

(*e*) in paragraph 5(2) for the word "received" there shall be substituted the word "receivable";

(*f*) in paragraph 10, for the definition of gas and electricity hereditaments there shall be substituted the following:—

" "electricity hereditament" means a hereditament which an Electricity Board is under section 34(3) of the principal Act to be treated as occupying in a rating area; and

"gas hereditament" means a hereditament which the British Gas Corporation is under section 33(3) or by virtue of section 33(5) of the principal Act as substituted by section 34 of and Part I of Schedule 5 to the Gas Act 1972**(b)** to be treated as occupying in a rating area",

and the definition of mixed hereditament shall be omitted.

4. The Rate Product (Passenger Transport Authorities) Rules 1970**(c)** are hereby revoked.

5. The amendments to the Rate Product Rules 1974 made by these Rules shall apply for the purposes of any determination of the product of a rate of

(a) 1973 c. 37. **(b)** 1972 c. 60. **(c)** S.I. 1970/73 (1970 I, p. 388).

one penny in the pound for the year beginning on 1st April 1977 and any subsequent year.

Peter Shore,
11th March 1977. Secretary of State for the Environment.

EXPLANATORY NOTE

(This Note is not part of the Rules.)

These Rules amend the Rate Product Rules 1974. The principal amendment consists of a new provision for the calculation of a rate of one penny in the pound for part of a rating area in certain cases where the value of a notional gas or electricity hereditament is to be included. Paragraph 5 of the Rate Product Rules 1974 dealing with the method of ascertaining the loss on collection is amended to take account of payments receivable under section 17 and 17A of the General Rate Act and there are minor drafting amendments. The amendments will apply for the determination of the product of a rate of one penny in the pound for the year beginning 1st April 1977 and any subsequent year.

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