EXPLANATORY NOTE

(This Note is not part of the Rules but is intended to indicate their general purport.)

These Rules prescribe new forms of precepts for use by county councils and the Receiver for the Metropolitan Police District. The new forms take account of the changes with respect to local government finance made by the Local Government Act, 1958.

1959 No. 258

The Rate-product Rules, 1959

Made - - - -	13*th February*, 1959
Laid before Parliament	19*th February*, 1959
Coming into Operation	23*rd February*, 1959

The Minister of Housing and Local Government, after consultation with the local authority and the associations of local authorities with whom consultation appeared to him to be desirable, in exercise of his powers under sections 9 and 58 of the Rating and Valuation Act, 1925(a) (the relevant provisions of the said section 9 having been extended to London by section 120 of the Local Government Act, 1948(b), and applied to precepts of the Receiver for the Metropolitan Police District by section 121 of the said Act and the said section 58 having been applied to London by section 7 of the Rating and Valuation (Apportionment) Act, 1928(c)) 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 Rules, 1959, and shall come into operation on the 23rd day of February, 1959.

2. Rules 3 to 9 shall apply in relation to precepts issued by county councils and the Receiver for the Metropolitan Police District in respect of any period beginning on or after the 1st day of April, 1959.

3.—(1) The Interpretation Act, 1889(d), applies to the interpretation of these rules as it applies to the interpretation of an Act of Parliament.

(2) In these rules, unless the context otherwise requires—

"year" means a period of twelve months beginning with the 1st day of April;

"rate" means—

in relation to the City of London, the poor rate;

in relation to the Inner Temple or the Middle Temple, any rate in the nature of a general rate; and

in any other case, the general rate, including any amount levied together with, and as an additional item of, the general rate;

"rating authority", outside London means the council of a county district or any council of a county borough to whom a precept is issued by the Receiver for the Metropolitan Police District, and inside London has the meaning assigned by subsection (2) of section 7 of the Rating and Valuation (Apportionment) Act, 1928;

"rating area" means the area of a rating authority;

(a) 15 & 16 Geo. 5. c. 90. (b) 11 & 12 Geo. 6. c. 26. (c) 18 & 19 Geo. 5. c. 44.
(d) 52 & 53 Vict. c. 63.

" precept " means a precept issued by a county council or the Receiver for the Metropolitan Police District;

" gas hereditament " means a hereditament which a Gas Board is, under section 6 of the Rating and Valuation (Miscellaneous Provisions) Act, 1955(a), to be treated as occupying in the rating area;

" electricity hereditament " means a hereditament which an Electricity Board is, under section 12 of the Local Government Act, 1958(b), to be treated as occupying in the rating area;

" gross rate income ", in relation to any area and to any year, means the total of the gross amounts appearing in the rate book as assessed in respect of hereditaments in the area by the rates made in respect of the year, or any portion thereof, increased by—

(i) (*a*) the amounts which under statutory provision fall to be taken into account for the purpose of ascertaining the proceeds of any rate for the year in respect of contributions in aid of rates;

(*b*) the amounts of any payments receivable in respect of the year, or any portion thereof, under section 133 of the Lands Clauses Consolidation Act, 1845(c); and

(*c*) any amounts found during the year to be recoverable under section 42 of the Local Government Act, 1948, or any similar provision, whether applicable to the valuation list or to a rate, or in respect of rates previously written off as irrecoverable;

in respect of hereditaments in, or former hereditaments in, the area; and

(ii) in the case of a rating area as a whole the amounts received in the year under section 100 of the Local Government Act, 1948 (other than in respect of the year 1958–59 or any earlier year), and in the case of part of a rating area the sum which bears to such amounts the same proportion as the aggregate rateable value of all the hereditaments in such part, as shown in the valuation list at the beginning of the year, bears to the aggregate rateable value of all the hereditaments in the rating area, as so shown;

" cost of collection ", in relation to any year, means—

(i) in relation to a rating area as a whole, the net cost of making, collecting and recovering rates during the year, including a proper proportion of such expenses as are attributable in part to the matters aforesaid and in part to other matters, but not including any proportion of any allowances made to owners or occupiers or of any expenses incurred in relation to any proposal for the alteration of the valuation list; and

(ii) in relation to a part of a rating area, the sum which bears to the cost of collection in the rating area as a whole the same proportion as the aggregate rateable value of all the hereditaments in such part, as shown in the valuation list at the beginning of the year, bears to the aggregate rateable value of all the hereditaments in the rating area, as so shown:

For the purposes of this definition, the net cost of making, collecting, and recovering rates during the year includes any sums properly paid by the rating authority during the year as compensation for the loss of employment or diminution of emoluments of any person whose remuneration is, or would, had he continued to be employed by the rating authority, have been, chargeable as part of such net cost, or

(a) 4 & 5 Eliz. 2. c. 9. (b) 6 & 7 Eliz. 2. c. 55. (c) 8 & 9 Vict. c. 18.

properly borne by the general rate fund, or in the case of the City of London out of the poor rate, in respect of any injury allowance or gratuity payable to or in respect of any such person under statutory provision or in respect of any increase of any annual pension or superannuation allowance, retirement grant, widow's pension or death grant payable to or in respect of any such person arising from statutory provision for such increase or from the treatment, under such provision, of non-contributing service as contributing service; and

" loss on collection ", in relation to any area and to any year, means the total amount written off during the year in the rate book as irrecoverable in respect of hereditaments in the area, whether in respect of the current rate or in respect of arrears of any previous rate, exclusive of any allowances made to owners or occupiers under section 8 of the Rating and Valuation Act, 1925, but including all other allowances, commissions, abatements and repayments.

In sub-paragraph (ii) of the definition of " gross rate income " and in the definition of " cost of collection ", " hereditaments " does not include any gas hereditament or electricity hereditament.

4. Each rating authority shall as soon as may be after the close of any year calculate the product of a rate of a penny in the pound for that year in the rating area, and where a precept is issuable in respect of a part only of the rating area the product of a rate of a penny in the pound for that year in such part.

5. The product of a rate of a penny in the pound in any area for any year shall be calculated by deducting from the gross rate income the cost of collection and the loss on collection and dividing the remainder (hereinafter referred to as " the total rate-product ") by the total of the pence in the pound of the rates:

Provided that if the total of the pence in the pound of the rates is not the same throughout the area the rating authority shall so calculate the product of a rate of a 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 penny in the pound in the area shall be taken to be the sum of the products of rates of a penny in the pound in the several parts as so calculated and in the case of a rating area as a whole of a rate of a penny in the pound on any gas hereditament or electricity hereditament.

6. The amount due under a precept shall be taken to be the product of a rate of a penny in the pound in the rating area or in the part thereof in respect of which the precept has been issued, as the case may be, multiplied by the number of pence specified in the precept.

7. Each rating authority shall as soon as may be after the close of any year ascertain the total amount due in respect of the year under the precepts issued to them, making any adjustments required under any statutory provision, and if the total amount so ascertained exceeds the aggregate of the instalments required by such precepts to be paid on account thereof the rating authority shall forthwith pay the balance to the county council or the Receiver for the Metropolitan Police District, as the case may be:

Provided that the rating authority, subject to their obligation to pay in full the aggregate of the instalments required by the precepts, may defer payment of any sum not exceeding that which bears to the total amount ascertained as aforesaid the same proportion as the amount of arrears carried forward at the close of the year and for the time being still outstanding bears to the total rate-product.

8.—(1) Any estimate of the product of a rate of a penny in the pound in the next ensuing financial year which a rating authority are required to transmit to a county council or the Receiver for the Metropolitan Police District before the 1st day of February in each calendar year shall be made in accordance with the principles of these rules as to the method of ascertaining the product of a rate of a penny in the pound.

(2) In making such estimate the rating authority shall take the latest ascertained figures available for the area to which the estimate relates and shall modify those figures to such extent as appears to them to be necessary having regard to any alteration in total rateable value which may reasonably be anticipated and to any other material circumstances.

9. The calculations required by these rules for any year shall be included in the accounts submitted by a rating authority to the district auditor, and the auditor's certificate allowing the accounts shall be construed as a certificate that, subject to any amendments made by him, such calculations have been properly and correctly made, and any necessary consequential adjustments shall be made in the accounts between the rating authority and the county council or the Receiver for the Metropolitan Police District, as the case may be.

10. The following rules—

The Rating and Valuation Act (Product of Rates and Precepts) Rules, 1938(**a**),

The Rating and Valuation Act (Product of Rates and Precepts) Amendment Rules, 1944(**b**),

The Rating and Valuation Act (Product of Rates and Precepts) Amendment Rules, 1946(**c**),

The Rating and Valuation Act (Product of Rates and Precepts) Amendment Rules, 1948(**d**),

The Product of Rates and Precepts (London) Rules, 1948(**e**),

are hereby revoked, except in so far as they apply to precepts issued by any authority in respect of any period beginning before the 1st day of April, 1959.

Given under the official seal of the Minister of Housing and Local Government this thirteenth day of February, nineteen hundred and fifty-nine.

(L.S.) *Henry Brooke,*
Minister of Housing and Local Government.

EXPLANATORY NOTE

(This note is not part of the Rules but is intended to indicate their general purport.)

These Rules provide, in relation to county districts, county boroughs in the Metropolitan Police District, and London rating areas, for the determination of the product of a rate of a penny in the pound and of the amount due under precepts of county councils and the Receiver for the Metropolitan Police District, for 1959–60 and subsequent years.

(a) S.R. & O. 1938/265 (Rev. XIX, p. 712: 1938 II, p. 2929).
(b) S.R. & O. 1944/425 (Rev. XIX, p. 712: 1944 I, p. 885).
(c) S.R. & O. 1946/437 (Rev. XIX, p. 712: 1946 I, p. 1483).
(d) S.I. 1948/2713 (Rev. XIX, p. 712: 1948 I, p. 3676).
(e) S.I. 1948/883 (Rev. XIX, p. 716: 1948 I, p. 3673).