

**Changes to legislation:** Local Government Finance Act 1988, Part 10 is up to date with all changes known to be in force on or before 28 August 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

## SCHEDULES

### [<sup>F1</sup>SCHEDULE 7B

#### LOCAL RETENTION OF NON-DOMESTIC RATES

##### Textual Amendments

- F1** Sch. 7B inserted (with effect in accordance with s. 1(6) of the amending Act) by [Local Government Finance Act 2012 \(c. 17\)](#), s. 1(4), [Sch. 1](#)

### 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);
    - (vi) paragraph 16 (calculations following amending report);
    - (vii) paragraph 23 (calculations of levy payments);
    - (viii) paragraph 26 (calculations of safety net payments);
    - (ix) regulations under paragraph 28 (calculations of payments on account);

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- (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.

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(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);
    - (vi) paragraph 16 (calculations following amending report);
    - (vii) paragraph 23 (calculations of levy payments);
    - (viii) paragraph 26 (calculations of safety net 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).

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- (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.]

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 52A inserted by [2023 c. 53 s. 8](#)
- s. 54(7A) inserted by [2023 c. 53 Sch. para. 34](#)
- s. 63A(1A) inserted by [2023 c. 53 s. 12\(1\)](#)
- s. 63E inserted by [2023 c. 53 s. 12\(2\)](#)
- s. 67(8A)(8B) inserted by [2023 c. 53 Sch. para. 37\(a\)](#)
- s. 143(9AZB) inserted by [2023 c. 53 Sch. para. 39\(a\)](#)
- Sch. 5A para. 8 inserted by [2023 c. 53 Sch. para. 38](#)
- Sch. 9 para. 4B-4H and cross-heading inserted by [2023 c. 53 s. 13\(2\)](#)
- Sch. 9 para. 4I-4M and cross-heading inserted by [2023 c. 53 s. 13\(3\)](#)
- Sch. 9 para. 5BA-5BC and cross-heading inserted by [2023 c. 53 s. 13\(6\)](#)
- Sch. 9 para. 5BD-5BF and cross-heading inserted by [2023 c. 53 s. 13\(7\)](#)
- Sch. 9 para. 5CA and cross-heading inserted by [2023 c. 53 Sch. para. 46](#)
- Sch. 9 para. 5CB inserted by [2023 c. 53 Sch. para. 47](#)
- Sch. 9 para. 5F(1A)(1B) inserted by [2023 c. 53 Sch. para. 49\(c\)](#)
- Sch. 9 para. 5F(A1) inserted by [2023 c. 53 Sch. para. 49\(a\)](#)
- Sch. 9 para. 5FA inserted by [2023 c. 53 Sch. para. 50](#)
- Sch. 9 para. 5FB inserted by [2023 c. 53 Sch. para. 51](#)
- Sch. 9 para. 5ZA5ZB and cross-heading inserted by [2023 c. 53 s. 13\(4\)](#)
- Sch. 9 para. 5ZC-5ZF and cross-heading inserted by [2023 c. 53 s. 13\(5\)](#)
- Sch. 9 para. 7B inserted by [2023 c. 53 s. 10](#)