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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order makes amendments to the Local Government Finance Act 1992 (“the 1992 Act”) and the Greater London Authority Act 1999 (“the 1999 Act”) in consequence of the changes made to the way non-domestic rates income is distributed by the Local Government Finance Act 2012.

The Local Government Finance Act 2012 insets a new Schedule 7B into the Local Government Finance Act 1988. The effect of this is to replace the system for the pooling and redistribution of non-domestic rates with a scheme for the local retention of non-domestic rates.

Article 2(2) of this Order make changes to the provisions governing the way that billing authorities are required to calculate their council tax requirements (section 31A of the 1992 Act) as a result of the new scheme, so that transfers between the general fund and the collection fund made in connection with the operation of Schedule 7B are accounted for correctly in the calculations.

Articles 2(3) and 3(3) amend references to the local government finance report. The remaining provisions amend references to ‘redistributed non-domestic rates’ in both Acts.

No separate impact assessment has been prepared for this Order, but the impact assessment prepared for the Local Government Finance Act 2012 is relevant:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/8470/2054063.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/8470/2054063.pdf)