

SCHEDULE

Regulation 4

Interpretation

1. In this Schedule—

“final return” means the return required by paragraph 7(1) of Schedule 2 to the Transfers Regulations;

“provisional return” means the return required by paragraph 2(1) of Schedule 2 to the Transfers Regulations;

“the first financial year” means the first financial year for which a levying authority imposes a BRS;

“the provisional return amount” means the amount to be shown in the provisional return, as calculated in accordance with paragraph 2(2) of Schedule 2 to the Transfers Regulations; and

“the second financial year” means the financial year—

(a) which immediately follows the first financial year for which a levying authority imposes a BRS; and

(b) for which a levying authority imposes a BRS.

Deductions: initial administrative expenses

2.—(1) Sub-paragraphs (2) to (3) apply in the first financial year and where—

(a) a levying authority gives notice to the billing authority in accordance with section 18 of the Act, and

(b) the chargeable period of the BRS is to begin on the first day of the financial year.

(2) The billing authority is authorised, for the purposes of section 22(1) of the Act, to deduct such proportion of the provisional return amount as is equal to the amount of the initial administrative expenses from the first instalment of the provisional return amount payable in accordance with paragraph 4(2) of Schedule 2 to the Transfers Regulations.

(3) If necessary, the billing authority is authorised to deduct further amounts from each subsequent instalment of the provisional return amount until it has recovered the total amount of the initial administrative expenses.

(4) If the billing authority does not recover the total amount of the initial administrative expenses during the first financial year, it is authorised to deduct such proportion of the provisional return amount as is equal to the outstanding balance of the amount of the initial administrative expenses from the first instalment of the provisional return amount in the second financial year.

(5) If necessary, the billing authority is authorised to deduct further amounts from each subsequent instalment of the provisional return amount in the second financial year until it has recovered the total amount of the initial administrative expenses.

(6) If the levying authority does not impose a BRS in the financial year immediately following the first financial year, the levying authority shall make arrangements for the payment of the outstanding balance of the amount of the initial administrative expenses no later than 31 May of the financial year immediately following the first financial year.

(7) The provisional return for the first financial year and the second financial year (if necessary) must include details of the initial administrative expenses.

(8) For the purposes of the calculation at paragraph 7(1)(a) of Schedule 2 to the Transfers Regulations, the amount of the initial administrative expenses is to be deducted from the amount the billing authority collected during that year by way of BRS before entry in the billing authority’s final return for the financial year under that paragraph.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

(9) Paragraphs (10) to (11) apply in the first financial year and in the following circumstances—

(a) where—

(i) a levying authority gives notice to the billing authority in accordance with section 18 of the Act; and

(ii) the chargeable period of the BRS is to begin after the first day of a financial year; or

(b) where—

(i) a levying authority gives notice to the billing authority in accordance with section 19 of the Act; and

(ii) the chargeable period of the BRS is to begin on or after the first day of a financial year.

(10) The levying authority shall for the purposes of section 22(6) of the Act make arrangements for the payment to the billing authority, no later than one month after the first day of the chargeable period of the BRS, of an amount equal to the initial administrative expenses.

(11) The provisional return for the first financial year must include details of the initial administrative expenses.

(12) In paragraphs (1) to (11) above, “the initial administrative expenses” means the reasonable expenses incurred in the manner provided by sub-paragraph (13) by the billing authority in respect of changes to their computer programmes and other reasonable administrative expenses (including staff training) associated with the first time of collection of a BRS.

(13) The initial administrative expenses must be incurred—

(a) where the chargeable period of a BRS begins on the first day of a financial year, prior to 1 April of the first financial year; or

(b) where the chargeable period of a BRS begins after the first day of a financial year, prior to the first day of the first chargeable period for which a levying authority imposes a BRS.

Deductions: further administrative expenses where the BRS is due to begin on first day of financial year

3.—(1) Sub-paragraphs (2) to (4) apply in a financial year for which a levying authority intends to impose a BRS and where—

(a) a levying authority gives notice to the billing authority in accordance with section 18 of the Act, and

(b) the chargeable period of the BRS is to begin on the first day of the financial year.

(2) The billing authority is authorised to deduct, for the purposes of section 22(1) of the Act, such proportion of the amount due under its final return as is equal to the amount of the section 18 administrative expenses.

(3) For the purposes of the calculation at paragraph 7(1)(a) of Schedule 2 to the Transfers Regulations, the amount of the section 18 administrative expenses (if any) is to be deducted from the amount the billing authority collected during that year by way of BRS before entry in the billing authority’s final return for the financial year under that paragraph.

(4) The “section 18 administrative expenses” means the amount of the reasonable expenses, if any, incurred by the billing authority in respect of the collection and enforcement of a BRS where the circumstances set out in sub-paragraph (1) apply including (but not limited to) the expenses of employing staff for the purposes of answering queries from the general public and staff training, but not exceeding the maximum amount calculated in accordance with sub-paragraph (5) below.

(5) The maximum amount of the section 18 administrative expenses is to be calculated in accordance with the formula—

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

$$\left(\frac{A}{B} \times C\right) D$$

where—

A is the total number of persons in the area of a billing authority who, as regards a hereditament in the billing authority’s area, are subject to a non-domestic rate under section 43(1) or section 45 of the 1988 Act and who are subject to a BRS imposed for that year by the levying authority in whose area the hereditament is situated;

B is the total number of persons in the area of a levying authority who, as regards a hereditament in the levying authority’s area, are subject to a non-domestic rate under section 43 or section 45 of the 1988 Act and who are subject to a BRS imposed for that year by the levying authority in whose area the hereditament is situated;

C is the levying authority’s estimate of the aggregate amount it will collect by way of BRS in the financial year;

D is the relevant percentage, as set out in Table 1, where the year of BRS refers to the number of years that the levying authority has imposed a BRS.

Table 1

<i>Year of BRS</i>	<i>Relevant percentage</i>
1	0.5
2	0.45
3	0.4
4	0.35
5	0.3
6	0.25
7	0.2
8 and any subsequent year	0.15

(6) The levying authority must notify the billing authority of—

- (a) the amount the levying authority estimates that it will raise from the imposition of the BRS for the financial year; and
- (b) the total number of persons in the area of the levying authority who, as regards a hereditament in the levying authority’s area, are subject to a BRS imposed for that year by the levying authority in whose area the hereditament is situated before 30 April of the following financial year.

(1) 1988 c.41. Section 43 has been amended by section 117 of and Schedule 13 to the Local Government Finance Act 1992; section 1 of and Schedule 1 to the Local Government and Rating Act 1997; section 127 of and Schedule 8 to the Postal Services Act 2000; sections 1, 2 and 3 of the Rating (Former Agricultural Premises and Rural Shops) Act 2001 sections 61,; and sections 63 and 64 of the Local Government Act 2003. Section 45 has been amended by section 139 of and Schedule 5 to the Local Government and Housing Act 1989; section 117 of and Schedule 13 of the Local Government Finance Act 1992; section 1 of the Rating (Empty Properties) Act 2007; and section 2 of and Schedule 2 to the Rating (Empty Properties) Act 2007. Other amendments have been made to the Act which are not relevant here.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Deductions: further administrative expenses where the BRS is due to begin after the start of the financial year

- 4.—(1) Paragraphs (2) to (6) apply in any of the cases in sub-paragraphs (a) to (c)—
- (a) in a financial year for which a levying authority intends to impose a BRS and where—
 - (i) the authority gives notice to the billing authority in accordance with section 18 of the Act; and
 - (ii) the chargeable period of the BRS is to begin after the first day of a financial year;
 - (b) in a financial year for which a levying authority intends to impose a BRS and where—
 - (i) the authority gives notice to the billing authority in accordance with section 19 of the Act; and
 - (ii) the chargeable period of the BRS is to begin on or after the first day of the financial year; or
 - (c) in a financial year for which a levying authority varies a BRS in accordance with section 10 of the Act and where—
 - (i) the authority thinks that, as a result of the variation, new calculations are required to find the chargeable amounts that some or all of those subject to the BRS are liable to pay;
 - (ii) a levying authority gives notice to the billing authority in accordance with section 19 of the Act; and
 - (iii) the variation of the BRS is to take effect after the first day of the financial year.

(2) As soon as possible after the end of the financial year, the billing authority shall submit a return (“the section 19 administrative expenses return”) to the relevant levying authority showing the amount of the section 19 administrative expenses.

(3) The section 19 administrative expenses return shall be submitted no later than 31 May in the financial year following that to which it relates.

(4) The section 19 administrative expenses return shall be certified by the billing authority’s chief finance officer.

(5) The levying authority shall make payment of an amount equal to the amount shown in the section 19 administrative expenses return to the billing authority, no later than 30 June in the financial year in which the section 19 administrative expenses return is submitted.

(6) The “section 19 administrative expenses” means the amount of the reasonable expenses, if any, incurred by the billing authority in respect of the collection and enforcement of a BRS where any of the circumstances set out in paragraph (1) apply, including (but not limited to) the expenses of BRS billing arrangements and the expenses of employing staff for the purposes of answering queries from the general public and staff training, but not exceeding the maximum amount calculated in accordance with paragraph (7) below.

(7) For the purposes of section 22(6) of the Act, the maximum amount of the section 19 administrative expenses is to be calculated in accordance with the formula—

$$\left(\frac{E}{F}\right) \times G$$

where—

E is the total number of persons in the area of a billing authority who, as regards a hereditament in the authority’s area, are subject to a non-domestic rate under section 43 or section 45 of the 1988 Act and who are subject to a BRS imposed for that year by the levying authority in whose area the hereditament is situated;

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

F is the total number of persons in the area of a billing authority who, as regards a hereditament in the authority's area, are subject to a non-domestic rate under section 43 or section 45 of the 1988 Act for that year;

G is the amount calculated under paragraph 4(1) of Schedule 1 to the Non-Domestic Rating Contributions (England) Regulations 1992⁽²⁾ for the billing authority in that year.

(2) [SI 1992/3082](#). Paragraph 4(1) has been amended by regulation 3 of [SI 1994/3139](#); regulation 3 of [SI 1996/3245](#); regulations 2 and 3 of [SI 2008/3078](#); and article 5 of and Schedule 2 to [SI 2009/1307](#). Other amendments have been made to the SI which are not relevant here.