
STATUTORY INSTRUMENTS

2018 No. 463

The Non-Domestic Rating (Rates Retention and Levy and Safety Net) (Amendment) Regulations 2018

PART 1

Preliminary

Citation and commencement

1.—(1) These Regulations may be cited as the Non-Domestic Rating (Rates Retention and Levy and Safety Net) (Amendment) Regulations 2018.

(2) These Regulations come into force on the day after the day on which they are made.

PART 2

Rates Retention

Amendment of the Non-Domestic Rating (Rates Retention) Regulations 2013

2. The Non-Domestic Rating (Rates Retention) Regulations 2013(1) are amended as follows.

Amendment of regulation 3

3. In regulation 3 (calculation and notification of non-domestic rating income and other amounts)

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- (a) in paragraph (1)(da) for “Parts 2 to 6” substitute “Parts 1 to 22”;
 - (b) in paragraph (1)(db) for “Parts 2 to 6” substitute “Parts 1 to 22”; and
 - (c) after paragraph (2A) insert—

“(2B) In relation to the relevant year commencing on 1st April 2018, a billing authority listed in Parts 1 and 7 to 22 of Schedule 5 must on or before 30th April 2018 notify the Secretary of State and any relevant precepting authority of the amounts it has calculated under paragraph (1)(da) and (db) for that relevant year.”.

Amendment of regulation 4

4. In regulation 4 (payment to the Secretary of State in respect of the central share) after paragraph (3) insert—

“(4) In relation to the relevant year commencing on 1st April 2018, this regulation does not apply to a billing authority listed in Parts 1 and 7 to 22 of Schedule 5.”.

Amendment of regulation 5

5. In regulation 5 (payments by billing authorities to major precepting authorities in respect of share of income)—

- (a) in paragraph (3) after “paragraph (3A)” insert “, (3B) or (3C)”;
- (b) in paragraph (3A) omit sub-paragraph (a); and
- (c) after paragraph (3A) insert—

“(3B) For the relevant year commencing on 1st April 2017 and a relevant year commencing on or after 1st April 2019, the relevant precepting authority share for the Greater London Authority is 37%.

(3C) For the relevant year commencing on 1st April 2018, the relevant precepting authority shares are—

- (a) 36% where the relevant precepting authority is the Greater London Authority;
- (b) 49% where the relevant precepting authority is Derbyshire County Council;
- (c) 59% where the relevant precepting authority is Devon County Council;
- (d) 50% where the relevant precepting authority is Gloucestershire County Council;
- (e) 59% where the relevant precepting authority is Kent County Council;
- (f) 40% where the relevant precepting authority is Lincolnshire County Council;
- (g) 20% where the relevant precepting authority is Suffolk County Council; and
- (h) 70% where the relevant precepting authority is Surrey County Council.”.

Amendment of regulation 9

6. In regulation 9 (end of year calculations) for “30th September” substitute “31st July”.

Amendment of Schedule 2

7. In Schedule 2 (qualifying relief for deduction from central share) for paragraph 1(2)(b) substitute—

- “(b) the ratepayer in respect of the hereditament became the ratepayer on or before—
- (i) 31st March 2018 in the case of a hereditament situated in an area designated by regulation 3 of the Non-Domestic Rating (Designated Areas) Regulations 2013(2);
 - (ii) 31st March 2019 in the case of a hereditament situated in an area designated by regulation 3 of the Non-Domestic Rating (Designated Areas) Regulations 2014(3);
 - (iii) 31st March 2020 in the case of a hereditament situated in the area designated by regulation 3(1) of the Non-Domestic Rating (Designated Area) Regulations 2015(4);
 - (iv) 31st March 2021 in the case of a hereditament situated in an area designated by regulation 4(1) of the Non-Domestic Rating (Designated Areas etc.) Regulations 2016(5);

(2) S.I. 2013/107; amended by S.I. 2017/318.

(3) S.I. 2014/98.

(4) S.I. 2015/353.

(5) S.I. 2016/317; amended by S.I. 2017/318.

- (v) 31st March 2022 in the case of a hereditament situated in an area designated by regulation 4(1) of the Non-Domestic Rating (Designated Areas etc.) Regulations 2017(6).”.

Amendment of Schedule 3

8. In the definition of “Q” in Schedule 3 (transfer from collection fund to general fund)—

(a) in each of paragraphs (a) to (d) after “paragraph (e)” insert “or (f)”; and

(b) after paragraph (e) insert—

“(f) for the relevant year beginning on 1st April 2018—

(i) for a billing authority listed in Part 1 of Schedule 5, 64%;

(ii) for a billing authority listed in Parts 7, 9, 11, 14, 16, 18 and 19 of Schedule 5, 99%;

(iii) for a billing authority listed in Parts 8 and 12 of Schedule 5, 50%;

(iv) for a billing authority listed in Part 15 of Schedule 5, 90%;

(v) for a billing authority listed in Part 17 of Schedule 5, 60%;

(vi) for a billing authority listed in Part 20 of Schedule 5, 100%;

(vii) for a billing authority listed in Part 21 of Schedule 5, 80%; and

(viii) for a billing authority listed in Part 22 of Schedule 5, 30%;”.

Amendment of Schedule 4

9.—(1) In Schedule 4 (rules for estimation and apportionment of surplus and deficit), paragraph 2 is amended as follows.

(2) In sub-paragraph (1) for “or (1D)” substitute “, (1D), (1E), (1F), (1G) or (1H)”.

(3) For sub-paragraph (1C) substitute—

“(1C) For the relevant year beginning on 1st April 2019, the Secretary of State’s share of any surplus or of any deficit estimated for that year under paragraph 1 by a billing authority listed in Part 1 of Schedule 5 is calculated in accordance with the formula—

$$(B + C - D - E) \times 33\%.”$$

(4) After sub-paragraph (1D) insert—

“(1E) For the relevant year beginning on 1st April 2019, the Secretary of State’s share of any surplus or of any deficit estimated for that year under paragraph 1 by a billing authority listed in Parts 7 to 22 of Schedule 5 is calculated in accordance with the formula—

$$(B + C - D - E) \times 50\%.$$

(1F) For the relevant year beginning on 1st April 2020, the Secretary of State’s share of any surplus or deficit estimated for that year under paragraph 1 by a billing authority listed in Part 1 of Schedule 5 is calculated in accordance with the formula—

$$(A - (B + C - D - E)) \times 33\%.$$

(1G) For the relevant year beginning on 1st April 2020, the Secretary of State’s share of any surplus or of any deficit estimated for that year under paragraph 1 by a billing authority listed in Parts 7 to 22 of Schedule 5 is calculated in accordance with the formula—

$$(A - (B + C - D - E)) \times 50\%.$$

(1H) For a relevant year beginning on or after 1st April 2021, the Secretary of State’s share of any surplus or of any deficit estimated for that year under paragraph 1 by a billing authority listed in Part 1 of Schedule 5 is 33%.”.

(5) In sub-paragraph (2)—

- (a) for “or (2B)” substitute “, (2B) or (2C)”; and
- (b) for “or (3A)” substitute “, (3A), (3B) or (3C)”.

(6) In sub-paragraph (2A) after sub-paragraph (b) insert—

“(c) for the relevant year beginning on 1st April 2019, is calculated in accordance with the formula—

$$(A - (B + C - D - E)) \times 36\% + ((B + C - D - E) \times 37\%);$$

(d) for the relevant year beginning on 1st April 2020, is calculated in accordance with the formula—

$$(A - (B + C - D - E)) \times 37\% + ((B + C - D - E) \times 36\%).”$$

(7) After sub-paragraph (2B) insert—

“(2C) For a relevant precepting authority listed in sub-paragraph (2D), its share of any surplus or of any deficit—

(a) for the relevant year beginning on 1st April 2019, is calculated in accordance with the formula—

$$(A - (B + C - D - E)) \times F + ((B + C - D - E) \times G);$$

(b) for the relevant year beginning on 1st April 2020, is calculated in accordance with the formula—

$$(A - (B + C - D - E)) \times H + ((B + C - D - E) \times I).$$

(2D) The relevant precepting authorities are Derbyshire County Council, Devon County Council, Gloucestershire County Council, Kent County Council, Lincolnshire County Council, Suffolk County Council and Surrey County Council.”.

(8) After sub-paragraph (7) insert—

“(7A) For a billing authority listed in Parts 1, 7, 8, 9, 11, 12 and 14 to 22 of Schedule 5, its share of any surplus or of any deficit—

(a) for the relevant year beginning on 1st April 2019, is calculated in accordance with the formula—

$$(A - (B + C - D - E)) \times J + ((B + C - D - E) \times K);$$

(b) for the relevant year beginning on 1st April 2020, is calculated in accordance with the formula—

$$(A - (B + C - D - E)) \times L + ((B + C - D - E) \times M).”$$

(9) In sub-paragraph (8) after the definition of “E” insert—

“F is—

- (a) 49% where the relevant precepting authority is Derbyshire County Council;
- (b) 59% where the relevant precepting authority is Devon County Council or Kent County Council;
- (c) 50% where the relevant precepting authority is Gloucestershire County Council;
- (d) 40% where the relevant precepting authority is Lincolnshire County Council;
- (e) 20% where the relevant precepting authority is Suffolk County Council;

- (f) 70% where the relevant precepting authority is Surrey County Council;

G is—

- (a) 9% where the relevant precepting authority is Derbyshire County Council, Devon County Council or Kent County Council;
- (b) 10% where the relevant precepting authority is Gloucestershire County Council, Lincolnshire County Council, Suffolk County Council or Surrey County Council;

H is—

- (a) 9% where the relevant precepting authority is Derbyshire County Council, Devon County Council or Kent County Council;
- (b) 10% where the relevant precepting authority is Gloucestershire County Council, Lincolnshire County Council, Suffolk County Council or Surrey County Council;

I is—

- (a) 49% where the relevant precepting authority is Derbyshire County Council;
- (b) 59% where the relevant precepting authority is Devon County Council or Kent County Council;
- (c) 50% where the relevant precepting authority is Gloucestershire County Council;
- (d) 40% where the relevant precepting authority is Lincolnshire County Council;
- (e) 20% where the relevant precepting authority is Suffolk County Council;
- (f) 70% where the relevant precepting authority is Surrey County Council;

J is—

- (a) 64% for a billing authority listed in Part 1 of Schedule 5;
- (b) 99% for a billing authority listed in Parts 7, 9, 11, 14, 16, 18 and 19 of Schedule 5;
- (c) 50% for a billing authority listed in Parts 8 and 12 of Schedule 5;
- (d) 90% for a billing authority listed in Part 15 of Schedule 5;
- (e) 60% for a billing authority listed in Part 17 of Schedule 5;
- (f) 100% for a billing authority listed in Part 20 of Schedule 5;
- (g) 80% for a billing authority listed in Part 21 of Schedule 5;
- (h) 30% for a billing authority listed in Part 22 of Schedule 5;

K is—

- (a) 30% for a billing authority listed in Part 1 of Schedule 5;
- (b) 49% for a billing authority listed in Parts 7, 9, 11, 14, 16, 18 and 19 of Schedule 5;
- (c) 40% for a billing authority listed in Parts 8, 12, 15, 17, 21 and 22 of Schedule 5;
- (d) 50% for a billing authority listed in Part 20 of Schedule 5;

L is—

- (a) 30% for a billing authority listed in Part 1 of Schedule 5;
- (b) 49% for a billing authority listed in Parts 7, 9, 11, 14, 16, 18 and 19 of Schedule 5;
- (c) 40% for a billing authority listed in Parts 8, 12, 15, 17, 21 and 22 of Schedule 5;
- (d) 50% for a billing authority listed in Part 20 of Schedule 5;

M is—

- (a) 64% for a billing authority listed in Part 1 of Schedule 5;
- (b) 99% for a billing authority listed in Parts 7, 9, 11, 14, 16, 18 and 19 of Schedule 5;

- (c) 50% for a billing authority listed in Parts 8 and 12 of Schedule 5;
- (d) 90% for a billing authority listed in Part 15 of Schedule 5;
- (e) 60% for a billing authority listed in Part 17 of Schedule 5;
- (f) 100% for a billing authority listed in Part 20 of Schedule 5;
- (g) 80% for a billing authority listed in Part 21 of Schedule 5;
- (h) 30% for a billing authority listed in Part 22 of Schedule 5.”.

Amendment of Schedule 5

10. After Part 6 of Schedule 5 (list of billing authorities) insert Parts 7 to 22 which are set out in Schedule 1 to these Regulations.

PART 3

Levy and safety net

Amendment of the Non-Domestic Rating (Levy and Safety Net) Regulations 2013

11. The Non-Domestic Rating (Levy and Safety Net) Regulations 2013(7) are amended as follows.

Amendment of regulation 2

12. In regulation 2 (interpretation) for the definition of “business rates baseline” substitute—

““business rates baseline” means—

- (a) for the year commencing on 1st April 2013, the amount specified with respect to an authority by regulation 5 and Schedule 2; and
- (b) for the year commencing on 1st April 2017, the amount specified with respect to an authority by regulation 5 and Schedule 4;”.

Amendment of regulation 5

13. In regulation 5 (business rates baseline and baseline funding level)—

- (a) in paragraph (1) after “business rates baseline of an authority” insert “for the year commencing on 1st April 2013”;
- (b) after paragraph (1) insert—
 - “(1A) The business rates baseline of an authority for the year commencing on 1st April 2017 is the amount specified with respect to that authority in column B of the table in Schedule 4.”;
- (c) for paragraph (4)(a) substitute—
 - “(a) the business rates baseline of the authority—
 - (i) for the year commencing on 1st April 2013, is to be the sum of the individual business rates baselines of the authorities that comprise the pool for the year commencing on 1st April 2013;

- (ii) for the year commencing on 1st April 2017, is to be the sum of the individual business rates baselines of the authorities that comprise the pool for the year commencing on 1st April 2017; and”.

Amendment of regulation 6

14. In regulation 6 (individual levy rates and safety net thresholds)—

- (a) in paragraph (2A), after “paragraph (2C)” insert “or (2D)”;
- (b) for paragraph (2B) substitute—

“(2B) The formula is—

$$1 - \frac{E}{F}$$

where—

E is the authority’s baseline funding level for the year commencing on 1st April 2017; and

F is the authority’s business rates baseline for the year commencing on 1st April 2017.”;

- (c) after paragraph (2C) insert—

“(2D) For an authority listed in Parts 9 to 19 in Schedule 3, the individual levy rate for the relevant year beginning on 1st April 2018 is zero.”.

Amendment of Schedule 1

15.—(1) Schedule 1 (calculation of retained rates income) is amended as follows.

(2) Paragraph 1(1) is amended as follows—

- (a) in the definition of “P”—

- (i) in paragraph (a) after “(b)” insert “or (c)”;

- (ii) for paragraph (b) substitute—

- “(b) for the relevant year beginning on 1st April 2017, the amount specified for that authority in column C of Schedule 4;

- (c) for the relevant year beginning on 1st April 2018, the amount specified for that authority in column E of Schedule 4;”;

- (b) in the definition of “Q”—

- (i) in paragraph (a) after “(b)” insert “or (c)”;

- (ii) for paragraph (b) substitute—

- “(b) for the relevant year beginning on 1st April 2017, the amount specified for that authority in column D of Schedule 4;

- (c) for the relevant year beginning on 1st April 2018, the amount specified for that authority in column F of Schedule 4; and”;

- (c) in the definition of “T” for “1st April 2013” to the end of the sentence substitute “or after 1st April 2013”.

(3) Omit paragraph 1(1A).

(4) In paragraph 1(4A) for “50%” substitute “A%”.

(5) After paragraph 1(4A) insert—

“(4B) For the purpose of sub-paragraph (4A), A is—

- (a) for the relevant years beginning on 1st April 2013, 1st April 2014, 1st April 2015 and 1st April 2016, 50;
- (b) for a relevant year beginning on or after 1st April 2017, the amount specified for that authority in column G of Schedule 4.”.

(6) In paragraph 2 the definition of “U” is amended as follows—

- (a) for “1st April 2013, 1st April 2014 and 1st April 2015” substitute “or after 1st April 2013”;
- (b) omit “, and in respect of any other year is zero”.

Amendment of Schedule 3

16.—(1) Schedule 3 (list of authorities) is amended as follows.

(2) In Parts 2 to 8 omit the columns headed “P” and “Q”.

(3) After Part 8 insert Parts 9 to 19 which are set out in Schedule 2 to these Regulations.

Insertion of Schedule 4

17. After Schedule 3 insert Schedule 4 which is set out in Schedule 3 to these Regulations.

We consent

29th March 2018

Rebecca Harris
Andrew Stephenson
Two of the Lords Commissioners of Her
Majesty’s Treasury

Signed by authority of the Secretary of State for Housing, Communities and Local Government

29th March 2018

Bourne of Aberystwyth
Parliamentary Under Secretary of State
Ministry of Housing, Communities and Local
Government