

- (b) the baseline funding level for the authority for a year is to be the sum of the individual baseline funding levels for the year of the authorities that comprise the pool.”.

4. For the formula in paragraph 1(1) of Schedule 1 (calculation of retained rates income for billing authorities) substitute—

$$“K(L + N - M - O + T) + (P - Q)”$$

5. In paragraph 1(1) of Schedule 1—

- (1) Omit the “and” at the end of the definition of “P”; and
(2) After the definition of “Q” insert—

“and

T is the amount calculated in accordance with sub-paragraph (4A) in respect of the years commencing on 1st April 2013 and 1st April 2014 and in respect of any other year is zero.”

6. For paragraph 1(4)(d) of Schedule 1 substitute—

- “(d) the difference between the amount calculated in accordance with sub-paragraph (3) and the amount which would be so calculated if a determination under section 47 of the 1988 Act were taken into account where the determination relates to a Case A or Case B hereditament within the meaning of paragraph 1 of Schedule 2 to the Non-Domestic Rating (Rates Retention) Regulations 2013(a) and the conditions in paragraph 1(2) of that Schedule are met.”.

7. After paragraph 1(4) of Schedule 1 insert—

“(4A) The amount calculated in accordance with this sub-paragraph is 50% of the amount which is the difference between—

- (a) (i) the total of the amounts credited to the billing authority’s collection fund income and expenditure account in the specified year in accordance with proper practices in respect of non-domestic rates payable under sections 43 and 45 of the 1988 Act in respect of a day in that year; less
(ii) the total of the amounts charged to the billing authority’s collection fund income and expenditure account in the specified year in accordance with proper practices in respect of non-domestic rates payable under sections 43 and 45 of the 1988 Act in respect of a day in that year; and
(b) the amount that would have been calculated under paragraph (a) if section 43(4A) to (4D) of the 1988 Act(b) were omitted.”.

8. For the formula in paragraph 2 of Schedule 1 (calculation of retained rates income for major precepting authorities) substitute—

$$“S(R + U) + (P - Q)”$$

9. In paragraph 2 of Schedule 1—

- (a) omit the “and” at the end of the definition of “P”; and
(b) after the definition of “Q” insert—

“and

U is, in respect of the years commencing on 1st April 2013 and 1st April 2014, the sum of the amounts calculated in accordance with paragraph 1(4A) for each of the billing authorities that is required to make payments to the major precepting authority for the

(a) S.I. 2013/452.

(b) Paragraphs (4A) to (4D) of Section 43 were inserted by section 61 of the Local Government Act 2003 (c.26).

relevant year under Part 4 of Schedule 7B to the 1988 Act, and in respect of any other year is zero.”.

10. In the table in Schedule 2 (table of authorities, business rates baselines and baseline funding levels) omit from “**The pool of authorities designated as-**” to the end of the table.

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

	<i>Name</i>
	Parliamentary Under Secretary of State
Date	Department for Communities and Local Government

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Non-domestic Rating (Levy and Safety Net) Regulations 2013 (“the Levy & Safety Net Regulations”).

The Levy and Safety Net Regulations are part of the system of local retention of non-domestic rates, established by Schedule 7B to the Local Government Finance Act 1988 (“the rates retention system”). They make provision for calculating whether the Secretary of State is required to make a safety net payment to an authority and whether an authority is required to make a levy payment to the Secretary of State. Levy and safety net payments are calculated by reference to an authority’s non-domestic rating income and its “baseline funding level” and “business rates baseline”.

Under the rates retention system, the Secretary of State may designate groups of authorities as pools. A pool of authorities is treated as a single authority for the purpose of levy and safety net calculations. Regulation 3 amends the Levy and Safety Net regulations to specify how the business rates baseline and baseline funding level of pools is to be calculated, allowing pools to be removed from the table in Schedule 2 (regulation 10).

Regulations 4 to 9 make a number of changes to the calculation of retained rates income to ensure proper treatment of certain rate reliefs.

A full impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

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