
STATUTORY INSTRUMENTS

2011 No. 2993

RATING AND VALUATION, ENGLAND

**The Non-Domestic Rating Contributions
(England) (Amendment) Regulations 2011**

<i>Made</i>	- - - -	<i>12th December 2011</i>
<i>Laid before Parliament</i>		<i>15th December 2011</i>
<i>Coming into force</i>	- -	<i>31st December 2011</i>

The Secretary of State, in exercise of the powers conferred by sections 143(1) and (2) of, and paragraphs 4 and 6 of Schedule 8 to, the Local Government Finance Act 1988⁽¹⁾, makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Non-Domestic Rating Contributions (England) (Amendment) Regulations 2011 and shall come into force on 31st December 2011.

Amendments to the Non-Domestic Rating Contributions (England) Regulations 1992

2. The Non-Domestic Rating Contributions (England) Regulations 1992⁽²⁾ are amended as follows in relation to financial years beginning on or after 1st April 2012.

Rules for the calculation of non-domestic rating contributions

3. In Schedule 1—

(a) For paragraph 1(4), substitute—

“(4) A special authority’s non-domestic rating contribution for the financial year beginning on 1st April 2012 shall be the amount calculated under sub-paragraph (2) less £10,271,000.”;

(1) 1988 c.41. These powers are now vested in the Welsh Ministers so far as they are exercisable in relation to Wales. They were previously transferred to the National Assembly for Wales by article 2 of the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999.672); see the entry in Schedule 1 for the Local Government Finance Act 1988. By virtue of paragraphs 30 and 32 of Schedule 11 to the Government of Wales Act 2006 (c.32), they were transferred to the Welsh Ministers.

(2) S.I. 1992/3082. Relevant amendments are made by S.I. 1993/1496 and 3082, 1994/1431 and 3139, 1995/3181, 1996/3245, 1997/3031, 1998/3038, 1999/3275, 2000/3208, 2001/3944, 2002/3021, 2003/3130, 2004/3234, 2005/3333, 2006/3617, 2007/3393, 2008/3078, 2009/3095 and 2010/2952.

(b) for paragraph 3, substitute—

“3.—(1) The amount which is the total of—

- (a) 25 per cent of the difference between the amount calculated in accordance with paragraph 2 above and the amount which would be so calculated if, in respect of any relevant day or any day in a preceding year, any determination by the authority under section 47(1)(a) of the Act as regards a hereditament in relation to which the condition in section 47(3) applies were taken into account provided that one or more of the following applies on the chargeable day—
 - (i) the ratepayer is a charity or trustees for a charity, and the hereditament is wholly or mainly used for charitable purposes (whether of that charity or of that and other charities); or
 - (ii) the ratepayer is a registered club for the purposes of Chapter 9 of Part 13 of the Corporation Tax Act 2010(3) (community amateur sports clubs) and the hereditament is not an excepted hereditament and is wholly or mainly used—
 - (aa) for the purposes of that club; or
 - (bb) for the purposes of that club and of other such registered clubs;
- (b) 75 per cent of the difference between the amount calculated in accordance with paragraph 2 above and the amount which would be so calculated if, in respect of any relevant day or any day in a preceding year, any determination by the authority under section 47(1)(a) of the Act as regards a hereditament in relation to which the condition in section 47(3) applies were taken into account provided that one of the following applies on the chargeable day—
 - (i) the hereditament is not an excepted hereditament, and all or part of it is occupied for the purposes of one or more institutions or other organisations none of which is established or conducted for profit and each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts;
 - (ii) the hereditament is not an excepted hereditament, it is wholly or mainly used for purposes of recreation, and all or part of it is occupied for the purposes of a club, society or other organisation not established or conducted for profit;
 - (iii) the hereditament meets the following conditions—
 - (aa) that the hereditament is situated in England;
 - (bb) that on the chargeable day the hereditament is within a settlement identified in the billing authority’s rural settlement list for the chargeable financial year in which that day falls; and
 - (cc) that the rateable value of the hereditament shown in the local non-domestic rating list at the beginning of the chargeable financial year is not more than any amount prescribed by the Secretary of State by order; and
- (c) 75 per cent of the difference between the amount calculated in accordance with paragraph 2 above and the amount which would be so calculated if, in respect of any relevant day or any day in a preceding year, any reduction or remission by the authority under section 49 of the Act were taken into account;

less the amount calculated under sub-paragraph (3) below.

(2) The total of any reduction in a chargeable amount by virtue of a determination under section 47(1)(a) of the Act and any reduction or remission under section 49 of the Act which has been taken into account in a calculation for a preceding year but which—

- (a) on the basis of the information before the person making the relevant calculation, should not have been so taken into account; and
- (b) has not been taken into account for the purposes of this sub-paragraph in a calculation for a preceding year;

multiplied by the relevant percentage.

(3) In sub-paragraph (2) above, “the relevant percentage” means—

(a) 25 per cent, in the case of a reduction in a chargeable amount by virtue of any determination by the authority under section 47(1)(a) of the Act as regards a hereditament in relation to which the condition in section 47(3) applies and one or more of the following applies on the chargeable day—

- (i) the ratepayer is a charity or trustees for a charity, and the hereditament is wholly or mainly used for charitable purposes (whether of that charity or of that and other charities); or
- (ii) the ratepayer is a registered club for the purposes of Chapter 9 of Part 13 of the Corporation Tax Act 2010 (community amateur sports clubs) and the hereditament is not an excepted hereditament and is wholly or mainly used—

(aa) for the purposes of that club; or

(bb) for the purposes of that club and of other such registered clubs;
and

(b) 75 per cent, in the case of a reduction in a chargeable amount by virtue of any determination by the authority under section 47(1)(a) of the Act as regards a hereditament in relation to which the condition in section 47(3) applies and one of the following applies on the chargeable day—

- (i) the hereditament is not an excepted hereditament, and all or part of it is occupied for the purposes of one or more institutions or other organisations none of which is established or conducted for profit and each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts;
- (ii) the hereditament is not an excepted hereditament, it is wholly or mainly used for purposes of recreation, and all or part of it is occupied for the purposes of a club, society or other organisation not established or conducted for profit; and

(iii) the hereditament meets the following conditions—

(aa) that the hereditament is situated in England;

(bb) that on the chargeable day the hereditament is within a settlement identified in the billing authority’s rural settlement list for the chargeable financial year in which that day falls; and

(cc) that the rateable value of the hereditament shown in the local non-domestic rating list at the beginning of the chargeable financial year is not more than any amount prescribed by the Secretary of State by order; and

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- (c) 75 per cent, in the case of any reduction or remission by the authority under section 49 of the Act.” and
- (c) in paragraph 4(4) for “2011”, substitute “2012”.

Assumptions relating to provisional amounts

4. In Schedule 2—

- (a) in paragraph 2(12), for “0.948”, substitute “0.947”; and
- (b) for the table in paragraph 8(1), substitute—

<i>“Name or description of authority</i>	<i>Percentage</i>
The council of a metropolitan district	1.4
The council of a non-metropolitan district which has the functions of a county council, the council of a county which has the functions of a district council and the Council of the Isles of Scilly	1.1
The council of a non-metropolitan district which does not have the functions of a county council	1.0
The council of an inner London borough and the Common Council of the City of London	1.3
The council of an outer London borough	1.5”

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

12th December 2011

Bob Neill
 Parliamentary Under Secretary of State
 Department for Communities and Local
 Government

EXPLANATORY NOTE

(This note is not part of the Regulations)

Under Part II of Schedule 8 to the Local Government Finance Act 1988 (“the 1988 Act”), billing authorities are required to pay amounts (called non-domestic rating contributions) to an account held by the Secretary of State (“the national non-domestic rating pool”). The national non-domestic rating pool is subsequently distributed to authorities under the rules in Part III of Schedule 8 to the 1988 Act. Payments into the national non-domestic rating pool in respect of the provisional amount of the non-domestic rating contributions are made during the financial year. Final calculations and adjustments of those contributions are made after the year ends.

These Regulations amend the rules contained in the Non-Domestic Rating Contributions (England) Regulations 1992 (“the 1992 Regulations”) for the calculation of non-domestic rating contributions and the assumptions to be made in calculating the provisional amount of the non-domestic rating contributions for the financial years beginning on or after 1st April 2012.

They are concerned with—

- (a) the offset for a special authority (the definition of “special authority” is given in section 144(6) of the 1988 Act) in paragraph 1(4) of Schedule 1 to the 1992 Regulations (regulations 3 (a));
- (b) the percentage amounts in respect of discretionary relief in paragraph 3 of Schedule 1, taking account of amendments to section 47 of the Local Government Finance Act 1988 by section 69 of the Localism Act 2011 (regulation 3(b));
- (c) the national cost of collection figure (which relates to the cost of collection of billing authorities) in paragraph 4(4) of Schedule 1 (regulation 3 (c));
- (d) the buoyancy factor (which is one of the assumptions billing authorities use in calculating the provisional amount) in paragraph 2(12) of Schedule 2 (regulation 4(a)); and
- (e) the losses in collection percentages in paragraph 8(1) of Schedule 2 (regulation 4(b)).