STATUTORY INSTRUMENTS

2018 No. 463

RATING AND VALUATION, ENGLAND

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

Made - - - - 29th March 2018

Coming into force in accordance with regulation 1

The Secretary of State for Housing, Communities and Local Government makes the following Regulations in exercise of the powers conferred by sections 97(2A), 99 and 143(1) and (2) of, and paragraphs 6, 7, 8, 9, 10, 22, 25 and 37 of Schedule 7B to, the Local Government Finance Act 1988(**1**) ("the 1988 Act").

In accordance with section 143(9D)(**2**) of the 1988 Act, a draft of this instrument was laid before Parliament and approved by resolution of each House of Parliament.

These Regulations are made with the consent of the Treasury in accordance with paragraph 8(3) of Schedule 7B to the 1988 Act.

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.

(**1**) 1988 c. 41. Schedule 7B was inserted by section 1 of, and Schedule 1 to, the Local Government Finance Act 2012 (c. 17). Section 97 was substituted by section 104 of, and paragraph 22 of Schedule 10 to, the Local Government Finance Act 1992 (c. 14) and subsection (2A) was inserted by section 5 of, and paragraph 25(2) of Schedule 3 to, the Local Government Finance Act 2012.

(**2**) Section 143(9D) was inserted by section 1 of the Local Government Finance Act 2012.

PART 2

Rates Retention

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

2. The Non-Domestic Rating (Rates Retention) Regulations 2013(**3**) are amended as follows.

Amendment of regulation 3

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

(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;

(**3**) S.I. 2013/452; amended by S.I. 2014/96, S.I. 2015/628, S.I. 2016/1268, S.I. 2017/496 and S.I. 2017/1321.

(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(**4**);

(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(**5**);

(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(**6**);

(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(**7**);

(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(**8**).".

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

(**4**) S.I. 2013/107; amended by S.I. 2017/318.
(**5**) S.I. 2014/98.
(**6**) S.I. 2015/353.
(**7**) S.I. 2016/317; amended by S.I. 2017/318.
(**8**) S.I. 2017/318; amended by S.I. 2017/471.

(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;