
STATUTORY INSTRUMENTS

2016 No. 1268

RATING AND VALUATION, ENGLAND

The Non-Domestic Rating (Rates Retention) (Amendment) Regulations 2016

<i>Made</i>	- - - -	<i>22nd December</i> <i>2016</i>
<i>Laid before Parliament</i>		<i>28th December 2016</i>
<i>Coming into force</i>	- -	<i>16th January 2017</i>

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

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

Citation and commencement

1.—(1) These Regulations may be cited as the Non-Domestic Rating (Rates Retention) (Amendment) Regulations 2016.

(2) These Regulations come into force on 16th January 2017.

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

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

Amendment of regulation 2

3. In regulation 2(1) (interpretation) insert at the appropriate place—

““central share payment” means a payment made by a billing authority to the Secretary of State under paragraph 6(2) of Schedule 7B to the 1988 Act;”.

(1) [1988 c. 41](#). Schedule 7B was inserted into the Local Government Finance Act 1988 by section 1 of, and Schedule 1 to, the Local Government Finance Act 2012 (c. 17). Section 97 was substituted by paragraph 22 of Schedule 10 to the Local Government Finance Act 1992 (c. 14) and subsections (2A) and (2B) were inserted by paragraph 25(2) of Schedule 3 to the Local Government Finance Act 2012.

(2) [S.I. 2013/452](#). Amended by [S.I. 2014/96](#) and [2015/628](#).

Amendment of regulation 4

4. In regulation 4 (payment to the Secretary of State in respect of the central share)—
 - (a) for paragraph (1) substitute—

“(1) In relation to each relevant year, a billing authority must deduct from the central share payment the amount which is the total of the following—

 - (a) its estimate of the amount (if any) specified by paragraph 2 of Schedule 2 for that year;
 - (b) its estimate of the amount (if any) specified by paragraph 3 of Schedule 2 for that year;
 - (c) for a relevant year beginning on or after 1st April 2017—
 - (i) its estimate of the amount specified by paragraph 2(1) of Schedule 2A for that year (if applicable); and
 - (ii) its estimate of the amount specified by paragraph 2 of Schedule 2B for that year (if applicable);”;
 - (b) in paragraph (2), for “payment in respect of the central share” substitute “central share payment”.

Amendment of regulation 9

5. For paragraph (1)(b) of regulation 9 (end of year calculations) substitute—

“(b) calculate the amount (if any) specified by paragraph 2 of Schedule 2 for the relevant year;

 - (ba) calculate the amount (if any) specified by paragraph 3 of Schedule 2 for the relevant year;
 - (bb) calculate the amount specified by paragraph 2(1) of Schedule 2A for the relevant year (if applicable);
 - (bc) calculate the amount specified by paragraph 2 of Schedule 2B for the relevant year (if applicable);”.

Insertion of regulation 9A

6. After regulation 9 insert—

“Special provision for end of year calculations for relevant year beginning on 1st April 2015

9A.—(1) This regulation applies in relation to the relevant year beginning on 1st April 2015 to a billing authority to which Schedule 2A or 2B applies.

(2) In addition to the calculations made under regulation 9(1) for that year, the billing authority must calculate the following amounts on or before 23rd January 2017—

- (a) the amount specified by paragraph 2(1) of Schedule 2A for that year (if applicable);
- (b) the amount specified by paragraph 2 of Schedule 2B for that year (if applicable).
- (3) The billing authority must—
 - (a) notify the Secretary of State on or before 23rd January 2017 of the amounts calculated; and

- (b) arrange for the calculations and amounts to be certified in accordance with such arrangements as the Secretary of State may direct.
- (4) The person certifying the calculations and amounts must send the certification to the Secretary of State and notify the billing authority of the amounts so certified.”.

Amendment of regulation 11

7. Regulation 11 (reconciliation of amount deducted from central share payment) is amended as follows—

- (a) in paragraph (1), for “total of the amount of qualifying relief specified by paragraph 2 of Schedule 2 is different to the amount deducted from the central share payments under regulation 4(1)” substitute “amount specified by paragraph 2 of Schedule 2 for a relevant year is different from the amount deducted under regulation 4(1)(a) from the central share payment for that year”;
- (b) in paragraph (2), for “total of the amount of qualifying relief specified by paragraph 3 of Schedule 2 is different to the amount deducted from the central share payments under regulation 4(1)” substitute “amount specified by paragraph 3 of Schedule 2 for a relevant year is different from the amount deducted under regulation 4(1)(b) from the central share payment for that year”;
- (c) after paragraph (2) insert—

“(2A) For a relevant year beginning on or after 1st April 2017, where the amount certified under regulation 9 as the amount specified by paragraph 2(1) of Schedule 2A for that year is different from the amount deducted under regulation 4(1)(c)(i) from the central share payment for that year—

- (a) if the certified amount is less than the deducted amount—
 - (i) the billing authority must pay to the Secretary of State an amount equal to the difference; and
 - (ii) the billing authority must transfer from its general fund to its collection fund an amount equal to the difference; or
- (b) if the certified amount is more than the deducted amount—
 - (i) the Secretary of State must pay to the billing authority an amount equal to the difference; and
 - (ii) the billing authority must transfer from its collection fund to its general fund an amount equal to the difference.

(2B) For a relevant year beginning on or after 1st April 2017, where the amount certified under regulation 9 as the amount specified by paragraph 2 of Schedule 2B for that year is different from the amount deducted under regulation 4(1)(c)(ii) from the central share payment for that year—

- (a) if the certified amount is less than the deducted amount—
 - (i) the billing authority must pay to the Secretary of State an amount equal to the difference; and
 - (ii) the billing authority must transfer from its general fund to its collection fund an amount equal to the difference; or
- (b) if the certified amount is more than the deducted amount—
 - (i) the Secretary of State must pay to the billing authority an amount equal to the difference; and

- (ii) the billing authority must transfer from its collection fund to its general fund an amount equal to the difference.”.

Insertion of regulations 11A and 11B

8. After regulation 11, insert—

“Special provision for end of year payments in respect of relevant year beginning on 1st April 2015

11A.—(1) This regulation applies in relation to the relevant year beginning on 1st April 2015 to a billing authority to which Schedule 2A or 2B applies.

(2) Where an amount is certified under regulation 9A as the amount specified by paragraph 2(1) of Schedule 2A for that year (“the certified amount”)—

- (a) the Secretary of State must pay to the billing authority an amount equal to the certified amount; and
- (b) the billing authority must transfer from its collection fund to its general fund an amount equal to the certified amount.

(3) Where an amount is certified under regulation 9A as the amount specified by paragraph 2 of Schedule 2B for that year (“the certified amount”)—

- (a) the Secretary of State must pay to the billing authority an amount equal to the certified amount; and
- (b) the billing authority must transfer from its collection fund to its general fund an amount equal to the certified amount.

(4) An amount paid to an authority under this regulation is to be recognised by that authority in accordance with proper practices⁽³⁾ in a revenue account for that year.

Special provision for end of year payments in respect of relevant year beginning on 1st April 2016

11B.—(1) This regulation applies in relation to the relevant year beginning on 1st April 2016 to a billing authority to which Schedule 2A or 2B applies.

(2) Where an amount is certified under regulation 9 as the amount specified by paragraph 2(1) of Schedule 2A for that year (“the certified amount”)—

- (a) the Secretary of State must pay to the billing authority an amount equal to the certified amount; and
- (b) the billing authority must transfer from its collection fund to its general fund an amount equal to the certified amount.

(3) Where an amount is certified under regulation 9 as the amount specified by paragraph 2 of Schedule 2B for that year (“the certified amount”)—

- (a) the Secretary of State must pay to the billing authority an amount equal to the certified amount; and
- (b) the billing authority must transfer from its collection fund to its general fund an amount equal to the certified amount.

(4) An amount paid to an authority under this regulation is to be recognised by that authority in accordance with proper practices in a revenue account for that year.”.

(3) See section 21(2) of the Local Government Act 2003 (c. 26) for the meaning of “proper practices”.

Amendment of Schedule 2

9. In Schedule 2 (qualifying relief for deduction from central share)—

- (a) in paragraph 2(1)(b) for “Commission Regulation (EC) No 1998/2006” substitute “Commission Regulation (EU) No 1407/2013⁽⁴⁾”;
- (b) in paragraph 3(1)(b) for “Commission Regulation (EC) No 1998/2006” substitute “Commission Regulation (EU) No 1407/2013”.

Insertion of Schedules 2A and 2B

10. After Schedule 2 insert Schedules 2A and 2B which are set out in the Schedule to these Regulations.

Amendment of Schedule 4

11. In Schedule 4 (rules for estimation and apportionment of surplus and deficit) for paragraph (a) of paragraph 2(3) substitute—

- “(a) 50% where the billing authority—
 - (i) is a county council or a district council in an area for which there is no county council, and the authority is a fire and rescue authority; or
 - (ii) is the Council of the Isles of Scilly;”.

We consent

22nd December 2016

Guy Opperman
Robert Syms
Two of the Lords Commissioners of Her
Majesty’s Treasury

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

22nd December 2016

Bourne of Aberystwyth
Parliamentary Under Secretary of State
Department for Communities and Local
Government

(4) OJ No L 352, 24.12.2013, p 1.