Draft Regulations laid before Parliament under section 143(9D) of the Local Government Finance Act 1988, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2014 No.

RATING AND VALUATION, ENGLAND

The Non-Domestic Rating (Levy and Safety Net) (Amendment) Regulations 2014

Made - - - - 2014

Coming into force in accordance with regulation 1

The Secretary of State, in exercise of the powers conferred by section 143(1) and (2) of, and paragraphs 22, 25 and 37(1) and (2) of Schedule 7B to, the Local Government Finance Act 1988(**1**), makes the following Regulations:

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

Citation and commencement

1. These Regulations may be cited as the Non-Domestic Rating (Levy and Safety Net) (Amendment) Regulations 2014 and come into force on the day after the day on which they are made.

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

2. The Non-Domestic Rating (Levy and Safety Net) Regulations 2013(**3**) are amended as follows.

3. In regulation 5 (business rates baseline and baseline funding level) after paragraph (3) insert—

"(4) In the case of an authority which is a pool of authorities—

(a) the business rates baseline of the authority is to be the sum of the individual business rates baselines of the authorities that comprise the pool; and

(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.".

(**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).
(**2**) Section 143(9D) was inserted by section 1 of the Local Government Finance Act 2012.
(**3**) S.I. 2013/737.

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

$$K\left(L+N-M-O+T\right)+\left(P-Q\right)$$

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(**4**) 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(**5**) were omitted.".

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

$$S\left(R+U\right)+\left(P-Q\right)$$

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

(**4**) S.I. 2013/452.
(**5**) Paragraphs (4A) to (4D) of Section 43 were inserted by section 61 of the Local Government Act 2003 (c.26).