

## SCHEDULE 1

Regulation 4

### Calculation of retained rates income

#### Calculation for billing authorities

1.—(1) The retained rates income of an authority that is a billing authority is the amount calculated in accordance with the formula—

$$KL + (N - M - O) + (P - Q)$$

Where—

K is —

- (i) 50% where the billing authority is a county council, or is a district council in an area for which there is no county council, and the authority is a fire and rescue authority;
- (ii) 49% where the billing authority is a county council, or is a district council in an area for which there is no county council, and the authority is not a fire and rescue authority;
- (iii) 40% where the billing authority is a district council in an area for which there is a county council; and
- (iv) 30% where the billing authority is a London borough council or the Common Council of the City of London;

L is the authority's certified non-domestic rating income for the relevant year;

M is the amount calculated in accordance with sub-paragraph (2);

N is the amount calculated in accordance with sub-paragraph (3);

O is the amount calculated in accordance with sub-paragraph (4);

P is the amount paid to the authority by the Secretary of State for the relevant year in accordance with Part 5 of Schedule 7B to the 1988 Act (principal payments in connection with local retention of non-domestic rates); and

Q is the amount paid by the authority to the Secretary of State for the relevant year in accordance with Part 5 of Schedule 7B to the 1988 Act.

(2) The amount calculated in accordance with this sub-paragraph is the amount which is the total of—

- (a) the amounts credited to the billing authority's collection fund income and expenditure account in the relevant year in accordance with proper practices in respect of non-domestic rates payable under sections 43 and 45 of the 1988 Act; less
- (b) the amounts charged to the billing authority's collection fund income and expenditure account in the relevant year in accordance with proper practices in respect of non-domestic rates payable under sections 43 and 45 of the 1988 Act.

(3) The amount calculated in accordance with this sub-paragraph is the amount that would have been calculated in accordance with sub-paragraph (2) if, in respect of any day in the relevant year or any day in a preceding year, any determination under section 47 or reduction or remission under section 49 of the 1988 Act had not been made.

(4) The amount calculated in accordance with this sub-paragraph is the amount which is the total of—

- (a) 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 where one or more of the following applies in relation to the hereditament to which the determination relates were taken into account—

- (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<sup>(1)</sup> (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) 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 where one or more of the following applies in relation to the hereditament to which the determination relates were taken in to account—
  - (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 within a settlement identified in the billing authority’s rural settlement list for the relevant year; and
    - (bb) that the rateable value of the hereditament shown in the local non-domestic rating list at the beginning of the relevant year is not more than £16,500;
  - (c) the difference between the amount calculated in accordance with sub-paragraph (3) and the amount which would be so calculated if, in respect of any day in the relevant year or any day in a preceding year, any reduction or remission by the authority under section 49 of the Act were taken into account; and
  - (d) the amount of any relief granted under section 47 of the 1988 Act that is qualifying relief for the purposes of regulation 4(1) of the Non-Domestic Rating (Rates Retention) Regulations 2013 (deductions from central share payments).
- (5) For the purposes of this paragraph “excepted hereditament” has the meaning given by section 47(9) of the 1988 Act.

### Calculation for major precepting authorities

2. The retained rates income of an authority that is a major precepting authority is the amount calculated in accordance with the formula—

$$RS + (P - Q)$$

Where—

R is the sum of the certified non-domestic rating income of all billing authorities required to make payments to the major precepting authority for the relevant year under Part 4 of Schedule 7B to the 1988 Act (payments by billing authorities to major precepting authorities);

S is—

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(1) 2010 c.4.

- (i) 10% where the relevant authority is a county council which is a fire and rescue authority;
- (ii) 9% where the relevant authority is a county council which is not a fire and rescue authority;
- (iii) 20% where the relevant authority is the Greater London Authority;
- (iv) 1% where the relevant authority is a fire and rescue authority not falling within paragraph (a);

P is the amount paid to the authority by the Secretary of State for the relevant year in accordance with Part 5 of Schedule 7B to the Act (principal payments in connection with local retention of non-domestic rates); and

Q is the amount paid by the authority to the Secretary of State for the year in accordance with Part 5 of Schedule 7B to the Act.

### **Calculation for pools**

**3.** The retained rates income of a relevant authority that is a pool of authorities is the sum of the retained rates income of all the authorities in the pool.