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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Non-Domestic Rating (Rates Retention) Regulations 2013 (S.I. 2013/452) (“the Rates Retention Regulations”), the Non-Domestic Rating (Levy and Safety Net) Regulations 2013 (S.I. 2013/737) (“the Levy and Safety Net Regulations”) and the Non-Domestic Rating (Rates Retention and Levy and Safety Net) (Amendment) and (Levy Account: Basis of Distribution) Regulations 2019 (S.I. 2019/709) (the “Basis of Distribution Regulations”). The Regulations being amended are all part of the system of local retention of non-domestic rates, established by Schedule 7B to the Local Government Finance Act 1988 (“the rates retention system”).

The Rates Retention Regulations provide, amongst other things, for what is meant by a billing authority’s “non-domestic rating income” for the purposes of the rates retention system. Regulation 3 of these Regulations amends the Rates Retention Regulations to alter the cost factor used in calculations of Buckinghamshire Council’s non-domestic rating income for a financial year, consequent on local authority structural change in Buckinghamshire. Regulation 4 amends Part 39 of Schedule 5 to the Rates Retention Regulations.

The Levy and Safety Net Regulations make provision for calculating whether, within the rates retention system, the Secretary of State is required to make a safety net payment to an authority and whether an authority is required to make a levy payment to the Secretary of State. Regulation 6 of these Regulations makes amendments to the levy rate for certain authorities. Regulation 7 amends Schedule 1 to the Levy and Safety Net Regulations to ensure the calculation of “retained rates income” for billing authorities takes account of relief given for telecommunications infrastructure and to make minor amendments.

Part 4 of the Basis of Distribution Regulations provide for the calculations used in the distribution to authorities of a surplus in the levy account. That account is kept by the Secretary of State under Part 6 of Schedule 7B to the Local Government Finance Act 1988. Regulation 8 amends the Basis of Distribution Regulations following a recent local government reorganisation.

An impact assessment has not been produced for this instrument because it amends an existing local tax regime. Publication of a full impact assessment is not necessary for such legislation.