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STATUTORY INSTRUMENTS

2013 No. 452

RATING AND VALUATION, ENGLAND

The Non-Domestic Rating (Rates Retention) Regulations 2013

Made - - - - 28th February 2013

Coming into force in accordance with regulation 1

The Secretary of State makes the following Regulations in the exercise of the powers conferred by sections 97(2A) and (2B), 99 and 143(1) and (2) of and paragraphs 6(3) to (5), 7 to 11, 39 to 42 and 44 of Schedule 7B to the Local Government Finance Act 1988 ^{M1}.

These Regulations are made with the consent of the Treasury in accordance with paragraphs 8(3), 39(13) and 40 (10) of Schedule 7B to the Local Government Finance Act 1988.

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

Marginal Citations

M1 1988 c.41. Sections 97(2A) and (2B) of the Local Government Finance Act 1988 (“the 1988 Act”) were inserted by paragraph 25(2) of Schedule 3 to the [Local Government Finance Act 2012 \(c.17\)](#) (“the 2012 Act”). Section 99 of the 1988 Act was substituted by paragraph 24 of Schedule 10 to the Local Government Finance Act 1992(c.14) and amended by section 70 of the [Local Government Act 2003 \(c.26\)](#) and paragraph 26 of Schedule 3 to the 2012 Act. Schedule 7B was inserted into the 1988 Act by section 1 of the 2012 Act.

PART 1

General

Citation and commencement

1. These Regulations may be cited as the Non-Domestic Rating (Rates Retention) Regulations 2013 and come into force on the day after the day on which they are made.

Interpretation

2.—(1) In these Regulations—

“the 1988 Act” means the Local Government Finance Act 1988;

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“authority” means a billing authority or a major precepting authority;

“billing authority” means a billing authority in England;

[^{F1}“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;]

“certified non-domestic rating income” has the meaning given by regulation 9(4);

“non-domestic rating income” has the meaning given by regulation 3(3);

“preceding year” means the year immediately preceding the relevant year;

“relevant precepting authority” in relation to a billing authority means a major precepting authority other than a police and crime commissioner, having a power to issue a precept to that billing authority;

“relevant year” means the year for which a calculation of non-domestic rating income or of a payment is being made;

“schedule of instalments” has the meaning given by regulation 15;

“small business non-domestic rating multiplier” in relation to a year means the small business non-domestic rating multiplier for the year determined under Part 1 of Schedule 7 to the 1988 Act ^{M2}.

(2) In these Regulations any reference to a billing authority's general fund shall be construed in relation to the Common Council of the City of London as a reference to the City fund ^{M3}.

(3) In these Regulations any reference to a billing authority's collection fund income and expenditure account is a reference to a revenue account to which, in accordance with proper practices, are credited or charged, as the case may be, amounts in respect of the authority's income and expenditure relating to sums paid or to be paid into or payments met or to be met from the authority's collection fund.

Textual Amendments

F1 Words in [reg. 2\(1\)](#) inserted (16.1.2017) by [The Non-Domestic Rating \(Rates Retention\) \(Amendment\) Regulations 2016 \(S.I. 2016/1268\)](#), [regs. 1\(2\), 3](#)

Marginal Citations

M2 Relevant amendments were made to Schedule 7 by section 62 of the Local Government Act 2003.

M3 See section 93 of the 1988 Act.

PART 2

Calculations and in-year payments

Calculation and notification of non-domestic rating income and other amounts

3.—(1) For each year a billing authority must calculate—

- (a) the amount of the central share of its non-domestic rating income;
- (b) the amount of each relevant precepting authority's share of its non-domestic rating income in accordance with regulation 5;
- (c) the amount (if any) to be deducted from the central share payment in accordance with regulation 4(1);

- (d) the amount of each relevant precepting authority's share of any amount to be deducted from the central share payment in accordance with regulation 4(1);
 - (e) the amount (if any) specified by regulation 7(2);
 - [^{F2}(f) the amount (if any) specified by regulation 7A(2);
 - (g) the amount of each relevant precepting authority's share of any amount specified by regulation 7A.]
- (2) The billing authority must notify the Secretary of State and any relevant precepting authorities of the amounts that have been calculated—
- (a) for the year commencing on 1st April 2013 on or before 15th March 2013;
 - (b) for a year commencing on or after 1st April 2014 on or before 31st January in the preceding year.
- (3) A billing authority's non-domestic rating income for the purposes of paragraph (1) is the billing authority's estimate for the relevant year of the amount specified by paragraph 1 of Schedule 1.
- (4) If an authority fails to comply with paragraph (2) the Secretary of State may make a calculation of the amount or amounts; and in such cases—
- (a) the Secretary of State must notify the authority and any relevant precepting authority of the amount or amounts calculated; and
 - (b) these Regulations take effect as if the amount or amounts calculated by the Secretary of State were calculated in accordance with paragraph (1).

Textual Amendments

- F2** Reg. 3(1)(f)(g) inserted (10.3.2015) by [The Non-Domestic Rating \(Shale Oil and Gas and Miscellaneous Amendments\) Regulations 2015 \(S.I. 2015/628\)](#), regs. 1(4), **11(2)**

Payment to the Secretary of State in respect of the central share

4.—[^{F3}(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);]

(2) The [^{F4}central share payment] must be made in the course of the relevant year in accordance with the schedule of instalments.

Textual Amendments

- F3** Reg. 4(1) substituted (16.1.2017) by [The Non-Domestic Rating \(Rates Retention\) \(Amendment\) Regulations 2016 \(S.I. 2016/1268\)](#), regs. 1(2), **4(a)**
- F4** Words in reg. 4(2) substituted (16.1.2017) by [The Non-Domestic Rating \(Rates Retention\) \(Amendment\) Regulations 2016 \(S.I. 2016/1268\)](#), regs. 1(2), **4(b)**

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Payments by billing authorities to major precepting authorities in respect of share of income

5.—(1) This regulation applies if a local government finance report for a year is approved by resolution of the House of Commons.

(2) Each billing authority must make a payment for the year to each of its relevant precepting authorities of the amount that is that authority's share of the billing authority's non-domestic rating income.

(3) The relevant precepting authority shares are—

- (a) 10% where the relevant precepting authority is a county council which is a fire and rescue authority;
- (b) 9% where the relevant precepting authority is a county council which is not a fire and rescue authority;
- (c) 20% where the relevant precepting authority is the Greater London Authority; and
- (d) 1% where the relevant precepting authority is a fire and rescue authority not falling within sub-paragraph (a).

(4) The payment must be made in the course of the relevant year in accordance with the schedule of instalments.

Payments to major precepting authorities in respect of deductions from central share payments

6.—(1) This regulation applies where an amount has been deducted from the central share payment for a year under regulation 4(1) in respect of an amount of qualifying relief specified by paragraph 3 of Schedule 2 (case B hereditaments).

(2) The billing authority must pay to each relevant precepting authority that authority's share of the specified amount.

(3) The relevant precepting authority shares are—

- (a) 20% where the relevant precepting authority is a county council which is a fire and rescue authority;
- (b) 18% where the relevant precepting authority is a county council which is not a fire and rescue authority;
- (c) 40% where the relevant precepting authority is the Greater London Authority; and
- (d) 2% where the relevant precepting authority is a fire and rescue authority not falling within sub-paragraph (a).

(4) The payment must be made in the course of the relevant year in accordance with the schedule of instalments.

Payments with respect to county matters

7.—(1) This regulation applies where the billing authority is a district council in an area for which there is a county council.

(2) The amount specified by this regulation is the amount to be disregarded in respect of a hereditament for the relevant year calculated in accordance with the Non-Domestic Rating (Renewable Energy Projects) Regulations 2013^{M4} where—

- (a) the hereditament falls within a class designated by those Regulations; and
- (b) the local planning authority responsible for determining the application for planning permission in respect of development which led to the hereditament falling within the designated class was a county council.

(3) The billing authority must make a payment for the year to the relevant county council equal to the amount estimated (if any) in accordance with regulation 3 as the amount specified by this regulation.

(4) The payment must be made in the course of the relevant year in accordance with the schedule of instalments.

(5) In this regulation, “planning permission” means permission under Part 3 of the Town and Country Planning Act 1990 ^{M5}.

Marginal Citations

M4 S.I. 2013/

M5 1990 c.8.

[^{F5}Payments with respect to shale oil or gas hereditaments

7A.—(1) This regulation applies where the area of a billing authority includes a hereditament within a class designated by Part 2 of the Non-Domestic Rating (Shale Oil and Gas and Miscellaneous Amendments) Regulations 2015.

(2) The amount specified by this regulation is the amount to be disregarded in respect of a hereditament for the relevant year calculated in accordance with the Non-Domestic Rating (Shale Oil and Gas and Miscellaneous Amendments) Regulations 2015 where the hereditament falls within a class designated by Part 2 of those Regulations.

(3) The billing authority must make a payment for the year to each relevant precepting authority equal to that authority’s share (as set out in paragraph (4)) of the amount estimated (if any), in accordance with regulation 3, as the amount specified by this regulation.

(4) The relevant precepting authority shares are—

- (a) 60% where the relevant precepting authority is a county council which is a fire and rescue authority;
- (b) 59% where the relevant precepting authority is a county council which is not a fire and rescue authority;
- (c) 20% where the relevant precepting authority is the Greater London Authority; and
- (d) 1% where the relevant precepting authority is a fire and rescue authority not falling within sub-paragraph (a).

(5) The payment must be made in the course of the relevant year in accordance with the schedule of instalments.]

Textual Amendments

F5 Reg. 7A inserted (10.3.2015) by [The Non-Domestic Rating \(Shale Oil and Gas and Miscellaneous Amendments\) Regulations 2015 \(S.I. 2015/628\)](#), regs. 1(4), **11(3)**

Transfer from collection fund to general fund

8.—(1) In relation to each relevant year a billing authority must transfer from its collection fund to its general fund the amount calculated in accordance with Schedule 3.

(2) The transfer must be made in the course of the relevant year in accordance with the schedule of instalments.

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PART 3

End of year calculations and reconciliation

End of year calculations

9.—(1) On or before 30th September in the year following the relevant year a billing authority must—

- (a) calculate the amount specified by paragraph 1 of Schedule 1 for the relevant year;
- [^{F6}(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);]
- (c) calculate the amount (if any) specified by regulation 7(2)[^{F7}, 7A(2) and the amount of each relevant precepting authority's share of any amount specified by regulation 7A] for the relevant year; and
- (d) notify the Secretary of State and any relevant precepting authorities of the amounts calculated.

(2) The billing authority must arrange for the calculations and amounts to be certified in accordance with such arrangements as the Secretary of State may direct.

(3) The person certifying the calculations and amounts must send the certification to the Secretary of State and notify the billing authority and relevant precepting authorities of the amounts so certified.

(4) The amount specified by paragraph 1 of Schedule 1 to these Regulations and calculated and certified in accordance with this regulation is the authority's certified non-domestic rating income for the relevant year.

Textual Amendments

- F6** Reg. 9(1)(b)-(bc) substituted for reg. 9(1)(b) (16.1.2017) by [The Non-Domestic Rating \(Rates Retention\) \(Amendment\) Regulations 2016 \(S.I. 2016/1268\)](#), regs. 1(2), **5**
- F7** Words in reg. 9(1)(c) inserted (10.3.2015) by [The Non-Domestic Rating \(Shale Oil and Gas and Miscellaneous Amendments\) Regulations 2015 \(S.I. 2015/628\)](#), regs. 1(4), **11(4)**

[^{F8}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.]

Textual Amendments

F8 Reg. 9A inserted (16.1.2017) by [The Non-Domestic Rating \(Rates Retention\) \(Amendment\) Regulations 2016 \(S.I. 2016/1268\)](#), regs. 1(2), 6

[^{F9}Reconciliation of disregarded amounts

10.—(1) Where the amount included in the calculation of the certified non-domestic rating income as an amount to be disregarded in accordance with regulations made under paragraph 39 or 40 of Schedule 7B to the 1988 Act is different to the amount estimated for the purposes of regulation 3 (“the estimated amount”) paragraphs (2) to (4) apply.

(2) Where the difference relates to a hereditament within the description in regulation 7(2) (county matters)—

- (a) if the certified amount is less than the amount paid to the county council, the county council must pay an amount equal to the difference to the billing authority; or
- (b) if the certified amount is more than the amount paid to the county council, the billing authority must pay an amount equal to the difference to the county council.

(3) Where the difference relates to a hereditament within the description in regulation 7A(1) (shale oil or gas hereditaments)—

- (a) if the certified amount is less than the estimated amount—
 - (i) each relevant precepting authority must pay an amount equal to that relevant precepting authority’s percentage share (as set out in paragraph (5)) of the difference to the billing authority; and
 - (ii) the billing authority must transfer an amount equal to its percentage share of the difference from its general fund to its collection fund; or
- (b) if the certified amount is more than the estimated amount—
 - (i) the billing authority must pay an amount equal to the relevant precepting authority’s percentage share of the difference to each relevant precepting authority; and
 - (ii) the billing authority must transfer an amount equal to its percentage share of the difference from its collection fund to its general fund.

(4) Where the difference relates to any other hereditament—

- (a) if the certified amount is less than the estimated amount, the billing authority must transfer an amount equal to the difference from its general fund to its collection fund; or
- (b) if the certified amount is more than the estimated amount, the billing authority must transfer an amount equal to the difference from its collection fund to its general fund.

(5) For the purposes of this regulation, the percentage shares are—

- (a) 100% where the billing authority is—
 - (i) 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) the Council of the Isles of Scilly;

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- (b) 99% where the billing authority is a county council, or a district council in an area for which there is no county council, and the authority is not a fire and rescue authority;
- (c) 40% where the billing authority is a district council in an area for which there is a county council;
- (d) 80% where the billing authority is a London borough council or the Common Council of the City of London;
- (e) 60% where the relevant precepting authority is a county council which is a fire and rescue authority;
- (f) 59% where the relevant precepting authority is a county council which is not a fire and rescue authority;
- (g) 20% where the relevant precepting authority is the Greater London Authority; and
- (h) 1% where the relevant precepting authority is a fire and rescue authority not falling within sub-paragraph (e).]

Textual Amendments

F9 Reg. 10 substituted (10.3.2015) by [The Non-Domestic Rating \(Shale Oil and Gas and Miscellaneous Amendments\) Regulations 2015 \(S.I. 2015/628\)](#), regs. 1(4), **11(5)**

[^{F10}Reconciliation of amount deducted from central share payment

11.—(1) Where the amount certified under regulation 9 as the [^{F11}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]—

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

(2) Where the amount certified under regulation 9 as the [^{F12}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]—

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

- (i) the Secretary of State must pay an amount equal to the difference to the billing authority;
- (ii) the billing authority must pay an amount equal to the relevant precepting authority's percentage share of the difference to each relevant precepting authority; and
- (iii) the billing authority must transfer an amount equal to its percentage share of the difference from its collection fund to its general fund.

[^{F13}(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.]

(3) For the purposes of this regulation, the percentage shares are—

- (a) 100% where the billing authority is—
 - (i) 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) the Council of the Isles of Scilly;
- (b) 98% where the billing authority is a county council, or a district council in an area for which there is no county council, and the authority is not a fire and rescue authority;
- (c) 80% where the billing authority is a district council in an area for which there is a county council;
- (d) 60% where the billing authority is a London borough council or the Common Council of the City of London;

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- (e) 20% where the relevant precepting authority is a county council which is a fire and rescue authority;
- (f) 18% where the relevant precepting authority is a county council which is not a fire and rescue authority;
- (g) 40% where the relevant precepting authority is the Greater London Authority; and
- (h) 2% where the relevant precepting authority is a fire and rescue authority not falling within sub-paragraph (e).]

Textual Amendments

- F10** Reg. 11 substituted (10.3.2015) by [The Non-Domestic Rating \(Shale Oil and Gas and Miscellaneous Amendments\) Regulations 2015 \(S.I. 2015/628\)](#), regs. 1(4), **12(2)**
- F11** Words in reg. 11(1) substituted (16.1.2017) by [The Non-Domestic Rating \(Rates Retention\) \(Amendment\) Regulations 2016 \(S.I. 2016/1268\)](#), regs. 1(2), **7(a)**
- F12** Words in reg. 11(2) substituted (16.1.2017) by [The Non-Domestic Rating \(Rates Retention\) \(Amendment\) Regulations 2016 \(S.I. 2016/1268\)](#), regs. 1(2), **7(b)**
- F13** Reg. 11(2A)(2B) inserted (16.1.2017) by [The Non-Domestic Rating \(Rates Retention\) \(Amendment\) Regulations 2016 \(S.I. 2016/1268\)](#), regs. 1(2), **7(c)**

[^{F14}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 in a revenue account for that year.

Textual Amendments

- F14** Regs. 11A, 11B inserted (16.1.2017) by [The Non-Domestic Rating \(Rates Retention\) \(Amendment\) Regulations 2016 \(S.I. 2016/1268\)](#), regs. 1(2), **8**

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.]

Textual Amendments

F14 Regs. 11A, 11B inserted (16.1.2017) by [The Non-Domestic Rating \(Rates Retention\) \(Amendment\) Regulations 2016 \(S.I. 2016/1268\)](#), regs. 1(2), 8

Reconciliation of amounts where authority has failed to act diligently

12. Where an amount included in a calculation under regulation 9(1) as a bad debt which should be written off or a doubtful debt for which provision should be made is disallowed on certification under regulation 9(2) on the grounds that the billing authority has failed to act diligently in relation to the collection of non-domestic rates, the authority must transfer such an amount as is disallowed from its general fund to its collection fund.

PART 4

Calculation of surplus and deficit

Calculation and apportionment of surplus or deficit on collection fund for year

13.—(1) For each relevant year beginning on or after 1st April 2014 a billing authority must estimate in accordance with paragraph 1 of Schedule 4 on or before 31st January in the preceding year —

- (a) whether there is a surplus or deficit with respect to non-domestic rates in its collection fund for the preceding year; and
- (b) if so, the amount of the surplus or deficit.

(2) Any surplus or deficit estimated by an authority under paragraph (1) shall belong to or be borne by that authority, the Secretary of State and any relevant precepting authorities in accordance with the shares set out in paragraph 2 of Schedule 4.

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Payments and transfers with respect to surplus and deficit

14.—(1) A billing authority must pay to the Secretary of State the Secretary of State's share and to any relevant precepting authority that authority's share of a surplus during the course of the relevant year in accordance with the schedule of instalments.

(2) The Secretary of State and a relevant precepting authority must pay their respective shares of a deficit to the billing authority during the course of the relevant year in accordance with the schedule of instalments.

(3) A transfer under section 97(3) or 97(4) of the 1988 Act of a billing authority's share of a surplus or deficit in respect of non-domestic rates must be made during the course of the relevant year in accordance with the schedule of instalments.

PART 5

Discharge of liabilities

Schedule of instalments

15.—(1) Where a payment under these Regulations is to be paid according to the schedule of instalments it is to be paid in ^[F15]12 instalments such that—

- (a) the first instalment is payable on 30th April; and
- (b) the subsequent instalments are payable on the 19th day of each of the following ^[F16]11 months starting in May.

(2) Where an instalment falls to be paid on a Friday or a day that is not a working day, it shall instead be payable on the first working day that is not a Friday following that day.

^[F17](3) The first four instalments are each to be of 9% of the amount payable and each other instalment is to be 8% of the amount payable.]

(4) A billing authority and a major precepting authority may by agreement vary the schedule of instalments with regard to payments between them.

(5) Any amount paid or transferred in respect of a liability under paragraph 6 of Schedule 7B to the 1988 Act or these Regulations for a year, whether or not paid in accordance with paragraph (1) is to be treated as discharging that liability to the extent of the payment.

(6) For the purpose of this regulation “working day” means any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday in England under the Banking and Financial Dealings Act 1971 ^{M6}.

Textual Amendments

- F15** Word in reg. 15(1) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Non-Domestic Rating \(Shale Oil and Gas and Miscellaneous Amendments\) Regulations 2015 \(S.I. 2015/628\)](#), regs. 1(2), **12(3)(a)**
- F16** Word in reg. 15(1)(b) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Non-Domestic Rating \(Shale Oil and Gas and Miscellaneous Amendments\) Regulations 2015 \(S.I. 2015/628\)](#), regs. 1(2), **12(3)(b)**
- F17** Reg. 15(3) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Non-Domestic Rating \(Shale Oil and Gas and Miscellaneous Amendments\) Regulations 2015 \(S.I. 2015/628\)](#), regs. 1(2), **12(3)(c)**

Marginal Citations

M6 1971 c.80.

Interest on amount of instalments

16.—(1) An authority shall pay interest to another authority in respect of any amount which—

- (a) has become payable to that authority in accordance with the schedule of instalments, but
- (b) has not been so paid.

(2) Interest shall be payable on the amount outstanding for every day of the period beginning with the day on which the amount was due to be paid and ending on the day before the day on which it is paid.

(3) Interest shall be calculated at the rate which is 2 per cent above the highest base rate quoted by any of the reference banks at anytime in the period for which that interest is payable.

(4) The interest shall be paid at the same time as the amount outstanding is paid.

(5) For the purposes of paragraph (3), the reference banks are the seven largest persons for the time being who—

- (a) have permission under Part 4 of the Financial Services and Markets Act 2000 ^{M7} to accept deposits;
- (b) are incorporated in the United Kingdom and carrying on there a regulated activity of accepting deposits; and
- (c) quote a base rate in sterling.

(6) For the purposes of paragraph (5), the size of a person is to be determined by reference to the total consolidated gross assets of that person denominated in sterling, as shown in the audited end-year accounts last published before the period for which interest is payable begins.

(7) In this regulation the “consolidated gross assets” of a person is a reference to the gross assets of that person together with any subsidiary (within the meaning of section 1159 of the Companies Act 2006 ^{M8}).

(8) Paragraph (5) must be read with—

- (a) section 22 of the Financial Services and Markets Act 2000;
- (b) any relevant order under that section; and
- (c) Schedule 2 to that Act.

Marginal Citations

M7 2000 c.8

M8 2006 c.46

Recovery

17. Where an amount has become payable by a billing authority or major precepting authority under any provision of these Regulations, and it has not been paid, it shall be recoverable in a court of competent jurisdiction.

Status: Point in time view as at 16/01/2017.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Non-Domestic Rating (Rates Retention) Regulations 2013. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

We consent to the making of these Regulations

Stephen Crabb
Desmond Swayne
Two of the Lords Commissioners of Her
Majesty's Treasury

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

Department for Communities and Local
Government

Brandon Lewis
Parliamentary Under Secretary of State

SCHEDULE 1

Regulation 3

Non-Domestic Rating Income

PART 1**Calculation of non-domestic rating income**

1.—(1) Subject to sub-paragraph (2) the amount specified in this paragraph is the amount calculated in accordance with the formula—

$$(A - B) + (C - D) - E - F$$

Where—

A is the total of the amounts credited to the billing authority's collection fund income and expenditure account in the year in accordance with proper practices in respect of non-domestic rates payable under sections 43 and 45 of the 1988 Act;

B is the total of the amounts charged to the billing authority's collection fund income and expenditure account in the year in accordance with proper practices in respect of non-domestic rates payable under sections 43 and 45 of the 1988 Act;

C is the amount of any transitional protection payments under paragraph 33(1) of Schedule 7B to the 1988 Act made to the billing authority in the year;

D is the amount of any transitional protection payments under paragraph 33(1) of Schedule 7B to the 1988 Act made by the billing authority in the year;

E is the billing authority's allowance for costs of collection and recovery for the year, calculated in accordance with paragraph 2; and

F is the total of amounts calculated in accordance with regulations made under paragraph 39 or 40 of Schedule 7B to the 1988 Act in respect of the billing authority as an amount to be disregarded for the purpose of a calculation of non-domestic rating income for the year.

(2) For a special authority the amount specified by this paragraph shall be the amount calculated in accordance with sub-paragraph (1)—

- (a) as if the authority's non-domestic rating multipliers for a year were equal to the non-domestic rating multipliers for that year determined in accordance with Part 1 of Schedule 7 to the 1988 Act; less
- (b) X, where the value of X for the financial year beginning 1st April 2013 is £10,538,000 and for subsequent years is determined by the formula—

$$X_1 \times \frac{S_2}{S_1}^{1/2}$$

Where—

X₁ is the value of X for the preceding year;

S₂ is the small business non-domestic rating multiplier for the relevant year;

S₁ is the small business non-domestic rating multiplier for the preceding year.

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Costs of collection and recovery

2.—(1) A billing authority's allowance for costs of collection and recovery are to be calculated in accordance with the formula—

$$\left(\frac{G \text{ i} \frac{1}{2} J}{H} \right) + \left(\frac{K \text{ i} \frac{1}{2} M}{L} \right) + N$$

Where—

G is the number of hereditaments shown in the billing authority's local non-domestic rating list on 30th September in the preceding year, multiplied by the cost factor for the billing authority;

H is the total of G for all billing authorities;

J is 76 per cent of the amount allowed for the costs of collection and recovery;

K is the total of the rateable values shown in the billing authority's local non-domestic rating list on 30th September in the preceding year, multiplied by the cost factor for the billing authority;

L is the total of K for all authorities;

M is 24 per cent of the amount allowed for the costs of collection and recovery;

N is the total amount of the legal costs of the billing authority referred to in sub-paragraph (5) below.

(2) For the purposes of sub-paragraph (1), where the year to which the relevant calculation relates is a year in which local non-domestic rating lists are compiled under section 41(1) of the 1988 Act, the hereditaments shown in an authority's local non-domestic rating list, and the rateable value of those hereditaments, shall be taken to be the hereditaments, and the rateable values, shown in the list which the valuation officer for the authority proposes to compile in that year and which has been sent to the authority under section 41(5) of the 1988 Act.

(3) The cost factor for a billing authority is the cost factor shown for that authority in Part 2 of this Schedule.

(4) The amount allowed for the costs of collection and recovery is £84,000,000.

(5) The legal costs referred to in this paragraph are the reasonable costs of another party to proceedings brought or defended by the billing authority and paid in the preceding year where the following conditions are satisfied—

(a) the proceedings were brought or defended by the authority to clarify the law as respects liability for, or the authority's powers to enforce, non-domestic rates;

(b) before bringing or defending proceedings the authority obtained advice in writing by counsel—

(i) that the point of law concerned had not already been determined in previous proceedings; and

(ii) that a decision by the authority to bring or defend the proceedings, or to continue to do so, would be a reasonable decision; and

(c) the authority lost on that point of law and costs were awarded against the authority, or the authority withdrew from the proceedings as respects that point on the advice of counsel and payment by the authority of the other party's reasonable costs was made by that party a condition of consenting to withdrawal.

(6) For the purposes of sub-paragraph (5)—

(a) references to proceedings are to proceedings in a court of law including the Upper Tribunal;

(b) any appeal from a decision of a court shall be regarded as separate proceedings.

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PART 2

Cost Factors

<i>f^{F18}</i> Area	Name or description of authority	Cost factor
	The Council of the Isles of Scilly	1.5000
	The Common Council of the City of London	1.4059
Inner London	The councils of the boroughs of Camden, Greenwich, Hackney, Hammersmith and Fulham, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth and Westminster	1.2208
West outer London	The councils of the boroughs of Barnet, Brent, Ealing, Harrow, Hillingdon, Hounslow, Kingston upon Thames, Merton, Richmond upon Thames and Sutton	1.1113
Rest of outer London	The councils of the boroughs of Barking and Dagenham, Bexley, Bromley, Croydon, Enfield, Haringey, Havering, Newham, Redbridge and Waltham Forest	1.0760
Avon	The councils of the districts of Bath & North East Somerset, Bristol, North Somerset and South Gloucestershire	1.0378
Bedfordshire & Hertfordshire non-fringe	The councils of the boroughs of Bedford, Central Bedfordshire, Luton, North Hertfordshire and Stevenage	1.0393
Berkshire non-fringe	The councils of the districts of Reading, West Berkshire and Wokingham	1.0806
Berkshire, Surrey & West Sussex fringe	The councils of the districts of Bracknell Forest, Crawley, Elmbridge, Epsom and Ewell, Guildford, Mole Valley, Reigate and Banstead, Runnymede, Slough, Spelthorne, Surrey Heath, Tandridge, Waverley, Windsor and Maidenhead and Woking	1.1039
Buckinghamshire non-fringe	The councils of the districts of Aylesbury Vale, Milton Keynes and Wycombe	1.0675
Cambridgeshire	The councils of the districts of Cambridge, East Cambridgeshire, Fenland, Huntingdonshire, Peterborough and South Cambridgeshire	1.0339
Cheshire	The councils of the districts of Cheshire East, Cheshire West and Chester, Halton and Warrington	1.0130
East Sussex	The councils of the districts of Brighton and Hove, Eastbourne, Hastings, Lewes, Rother and Wealden	1.0090
Essex non-fringe	The councils of the districts of Braintree, Castle Point, Chelmsford, Colchester, Maldon, Rochford, Southend-on-Sea, Tendring and Uttlesford	1.0130
Gloucestershire	The councils of the districts of Cheltenham, Cotswold, Forest of Dean, Gloucester, Stroud and Tewkesbury	1.0197

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Greater Manchester	The councils of the metropolitan districts of Bolton, Bury, Manchester, Oldham, Rochdale, Salford Stockport, Tameside, Trafford and Wigan	1.0169
Hampshire & Isle of Wight	The councils of the districts of Basingstoke and Deane, East Hampshire, Eastleigh, Fareham, Gosport, Hart, Havant, New Forest, Portsmouth, Rushmoor, Southampton, Test Valley and Winchester and Isle of Wight Council	1.0360
Hertfordshire & Buckinghamshire fringe	The councils of the districts of Broxbourne, Chiltern, Dacorum, East Hertfordshire, Hertsmere, South Buckinghamshire, St Albans, Three Rivers, Watford and Welwyn Hatfield	1.0816
Kent & Essex fringe	The councils of the districts of Basildon, Brentwood, Dartford, Epping Forest, Harlow, Sevenoaks and Thurrock	1.0618
Kent non-fringe	The councils of the districts of Ashford, Canterbury, Dover, Gravesham, Maidstone, Medway, Shepway, Swale, Thanet, Tonbridge and Malling and Tunbridge Wells	1.0068
Merseyside	The councils of the metropolitan districts of Knowsely, Liverpool, Sefton, St Helens and Wirral	1.0075
Northamptonshire	The councils of the districts of Corby, Daventry, East Northamptonshire, Kettering, Northampton, South Northamptonshire and Wellingborough	1.0132
Nottinghamshire	The councils of the districts of Ashfield, Bassetlaw, Broxtowe, Gedling, Mansfield, Newark and Sherwood, Nottingham and Rushcliffe	1.0121
Oxfordshire	The councils of the districts of Cherwell, Oxford, South Oxfordshire Vale of White Horse and West Oxfordshire	1.0534
Suffolk	The councils of the districts of Babergh, Forest Heath, Ipswich, Mid-Suffolk, St Edmundsbury, Suffolk Coastal and Waveney	1.0054
Warwickshire	The councils of the districts of North Warwickshire, Nuneaton and Bedworth, Rugby, Stratford-on-Avon and Warwick	1.0213
West Midlands	The councils of the metropolitan districts of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton	1.0134
West Yorkshire	The councils of the metropolitan districts of Bradford, Calderdale, Kirklees, Leeds and Wakefield	1.0055
Wiltshire	The councils of the district of Swindon and the County of Wiltshire	1.0216
Other authorities	A billing authority not named or not falling within a description given above	1.0000]

Textual Amendments

- F18** Sch. 1 Pt. 2 Table substituted (10.3.2015) by [The Non-Domestic Rating \(Shale Oil and Gas and Miscellaneous Amendments\) Regulations 2015 \(S.I. 2015/628\)](#), regs. 1(4), **12(4)**

SCHEDULE 2

Regulation 4(1)

Qualifying relief for deduction from central share

Case A and Case B hereditaments

1.—(1) In this Schedule—

“case A hereditament” means a hereditament which is situated in both a blue area and a red area and meets the conditions in sub-paragraph (2);

“case B hereditament” means a hereditament which is situated in a red area only and meets the conditions in sub-paragraph (2);

“blue area” means an area designated by regulations made under paragraph 39 of Schedule 7B to the 1988 Act;

“red area” means an area bounded externally by the outer edge of a red line on one of the [F19][F20] maps numbered 1 to 86][F19] maps numbered 1 to 29, 31 to 46 and 48 to 178] and entitled “Maps referred to in the Non-Domestic Rating (Rates Retention) Regulations 2013” of which prints, signed by a member of the Senior Civil Service in the Department for Communities and Local Government, are deposited and available for inspection at the offices of the Secretary of State and, in relation to each map, the billing authority concerned.

(2) The conditions are that—

(a) a determination under section 47(1)(a) of the 1988 Act has had effect in respect of the ratepayer in relation to the hereditament for 5 years or less, disregarding any period before 1st April 2012; and

(b) the ratepayer in respect of the hereditament became the ratepayer on or before [F21]31st March 2018].

(3) In these Regulations where part of a hereditament is situated within a blue or red area, references to a hereditament are to be read as meaning the whole of the hereditament.

Textual Amendments

- F19** Words in Sch. 2 para. 1(1) substituted (E.) (1.4.2016) by [The Non-Domestic Rating \(Designated Areas etc.\) Regulations 2016 \(S.I. 2016/317\)](#), regs. 1(2), **6(2)**
- F20** Words in Sch. 2 para. 1(1) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Non-Domestic Rating \(Shale Oil and Gas and Miscellaneous Amendments\) Regulations 2015 \(S.I. 2015/628\)](#), regs. 1(2), **12(5)(a)**
- F21** Words in Sch. 2 para. 1(2)(b) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Non-Domestic Rating \(Shale Oil and Gas and Miscellaneous Amendments\) Regulations 2015 \(S.I. 2015/628\)](#), regs. 1(2), **12(5)(b)**

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Case A hereditament: calculation of qualifying relief

2.—(1) The amount specified by this paragraph is the amount which is the total of the difference between—

- (a) the amount calculated for the year in accordance with sub-paragraph (2); and
- (b) the amount that would have been calculated in accordance with sub-paragraph (2) had a determination under section 47(1)(a) of the 1988 Act as regards a case A hereditament not been made, but disregarding any amount by which the amount of a determination would exceed the limit on the total de minimis aid that may be granted in accordance with [\[^{F22}Commission Regulation \(EU\) No 1407/2013\]](#) in respect of any particular undertaking.

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

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

Textual Amendments

F22 Words in Sch. 2 para. 2(1)(b) substituted (16.1.2017) by [The Non-Domestic Rating \(Rates Retention\) \(Amendment\) Regulations 2016 \(S.I. 2016/1268\)](#), regs. 1(2), **9(a)**

Case B hereditament: calculation of qualifying relief

3.—(1) The amount specified by this paragraph is the amount that is 50 per cent of the difference between—

- (a) the amount calculated for the year in accordance with sub-paragraph (2); and
- (b) the amount that would have been calculated in accordance with sub-paragraph (2) had a determination under section 47(1)(a) of the 1988 Act as regards a case B hereditament not been made, but disregarding any amount by which the amount of a determination would exceed the limit on the total de minimis aid that may be granted in accordance with [\[^{F23}Commission Regulation \(EU\) No 1407/2013\]](#) in respect of any particular undertaking.

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

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

Textual Amendments

F23 Words in Sch. 2 para. 3(1)(b) substituted (16.1.2017) by [The Non-Domestic Rating \(Rates Retention\) \(Amendment\) Regulations 2016 \(S.I. 2016/1268\)](#), regs. 1(2), **9(b)**

[^{F24}SCHEDULE 2ARegulations 4(1),9(1), 9A, 11(2A), 11A
and 11B

Special provision for deduction from the central share payment

Textual Amendments**F24** Schs. 2A, 2B inserted (16.1.2017) by [The Non-Domestic Rating \(Rates Retention\) \(Amendment\) Regulations 2016 \(S.I. 2016/1268\)](#), regs. 1(2), **Sch.****Application and interpretation**

1.—(1) This Schedule applies to the billing authorities listed in column 1 of the table set out below in relation to a relevant year beginning on or after 1st April 2015.

(2) In this Schedule—

“allowance for non-collection” means an allowance made by a billing authority in its principal financial statements for a relevant year, in accordance with proper practices, to recognise amounts of non-domestic rates which the billing authority estimates will not be collected;

“alteration to a local list” means an alteration to a local non-domestic rating list made in accordance with regulations under section 55 of the 1988 Act;

“Collection Regulations” means the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989;

“growth baseline amount”, in relation to a billing authority, means the figure specified in column 2 of the table set out below in relation to that authority;

“relevant provision” means a provision made by a billing authority in its principal financial statements for a relevant year which, in accordance with proper practices, reflects amounts to be credited to ratepayers following changes to a ratepayer’s liability for non-domestic rates;

“transitional protection payment” means a payment under regulations under paragraph 33(1) of Schedule 7B to the 1988 Act.

<i>Billing authority</i>	<i>Growth baseline amount</i>
<i>Column 1</i>	<i>Column 2</i>
	(£)
Greater Manchester	
Bolton	89,545,561
Bury	52,217,065
Manchester	343,637,824
Oldham	60,286,829
Rochdale	62,963,048
Salford	100,185,762
Stockport	91,637,000
Tameside	57,763,975

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<i>Billing authority</i>	<i>Growth baseline amount</i>
<i>Column 1</i>	<i>Column 2</i>
	<i>(£)</i>
Trafford	166,096,865
Wigan	82,383,374
<i>Cheshire</i>	
Cheshire East	141,320,753
<i>Cambridgeshire</i>	
Cambridge	98,386,258
East Cambridgeshire	18,601,752
Fenland	25,365,993
Huntingdonshire	60,392,226
Peterborough	98,862,997
South Cambridgeshire	71,379,837

Calculation of amount

2.—(1) Subject to sub-paragraph (2), the amount specified by this paragraph is the amount calculated in accordance with the formula—

$$(A-B+C-D+E-F+G-H+J-K) \times 50\%$$

where—

A is the total amount credited to the billing authority's collection fund income and expenditure account in the year in respect of non-domestic rates payable under sections 43 and 45 of the 1988 Act;

B is the total amount charged to that account in the year in respect of non-domestic rates payable under sections 43 and 45 of the 1988 Act;

C is the total amount written back for the year from the allowance for non-collection;

D is the total amount written off for the year in excess of that allowance;

E is the total amount released from that allowance for the year;

F is the total amount by which that allowance is increased for the year after amounts written off against the allowance have been made for the year;

G is the amount of any transitional protection payment due to be made to the billing authority for the year;

H is the amount of any transitional protection payment due to be made by the billing authority for the year;

J is the total amount of a relevant provision utilised for the year;

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K is the amount calculated in relation to the billing authority for the year in accordance with sub-paragraph (3) or (4).

(2) If the amount calculated under sub-paragraph (1) is less than zero, for the purposes of regulations 4, 9 and 9A the amount specified by sub-paragraph (1) is zero.

(3) If the year is not a year in which local lists must be compiled, the amount calculated in accordance with this sub-paragraph—

- (a) for the year beginning on 1st April 2015, is the growth baseline amount in relation to the billing authority;
- (b) for the year beginning on 1st April 2016, is the amount calculated in accordance with the formula—

$$L \times (M_2 M_1) \times 1.005$$

where—

L is the growth baseline amount in relation to the billing authority;

M₁ is the small business non-domestic rating multiplier for the year beginning on 1st April 2015;

M₂ is the small business non-domestic rating multiplier for the year beginning on 1st April 2016;

- (c) for a subsequent year, is the amount calculated in accordance with the formula—

$$N \times (O_2 O_1) \times 1.005$$

where—

N is the amount calculated for the preceding year in accordance with paragraph (b) or this paragraph;

O₁ is the small business non-domestic rating multiplier for the preceding year;

O₂ is the small business non-domestic rating multiplier for the relevant year.

(4) If the year is a year in which local lists must be compiled (“revaluation year”), the amount calculated in accordance with this sub-paragraph is the amount calculated in accordance with the formula—

$$Q \times (R \times T_2 S \times T_1) \times 1.005$$

where—

Q is the amount calculated for the preceding year in accordance with sub-paragraph (3)(b) or (c);

R is the aggregate rateable values shown in the billing authority’s local list for 1st April in the revaluation year;

S is the aggregate rateable values shown in the billing authority’s local list for 31st March in the preceding year;

T₁ is the small business non-domestic rating multiplier for the preceding year;

T₂ is the small business non-domestic rating multiplier for the revaluation year.

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SCHEDULE 2B

Regulations 4(1),9(1), 9A, 11(2B), 11A
and 11B

Deduction from the central share payment for Port of Bristol

Application and interpretation

1.—(1) This Schedule applies to the billing authority, North Somerset District Council, in relation to a relevant year beginning on or after 1st April 2015.

(2) In this Schedule—

“First Corporate Shipping Limited” means the company limited by shares and incorporated under the Companies Act 1985, whose registered number is 2542406;

“Port of Bristol hereditament” means those hereditaments which consist of the harbour undertaking carried on by First Corporate Shipping Limited that are treated under regulation 5(4) of the Non-Domestic Rating (Miscellaneous Provisions) (No. 2) Regulations 1989 as one hereditament situated in the area of North Somerset District Council; and

“transitional protection payment” means a payment under regulations under paragraph 33(1) of Schedule 7B to the 1988 Act.

Calculation of amount

2. The amount specified by this paragraph in respect of the Port of Bristol hereditament for a year is the amount calculated in accordance with the formula—

$$[(A-B)+(C-D)] \times E$$

where—

A is the total of the amounts credited to the billing authority’s collection fund income and expenditure account in respect of that hereditament in the year in accordance with proper practices in respect of non-domestic rates payable under sections 43 and 45 of the 1988 Act;

B is the total of the amounts charged to that account in respect of that hereditament in the year in accordance with proper practices in respect of non-domestic rates payable under sections 43 and 45 of the 1988 Act;

C is the amount of any transitional protection payment due to be made to the billing authority in respect of that hereditament for the year;

D is the amount of any transitional protection payment due to be made by the billing authority in respect of that hereditament for the year;

E is—

(a) for the year beginning on 1st April 2015, 0.4203

(b) for a year beginning on or after 1st April 2016, 0.51.]

SCHEDULE 3

Regulation 8(1)

Transfer from collection fund to general fund

The amount to be transferred is the amount calculated in accordance with the formula:

Status: Point in time view as at 16/01/2017.

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$$PQ + R + (S - T) + (U - V)$$

Where—

P is the billing authority's non-domestic rating income for the year

Q is —

- (a) [^{F25}50% where the billing authority is—
- (i) 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) the Council of the Isles of Scilly;]
- (b) 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;
- (c) 40% where the billing authority is a district council in an area for which there is a county council; and
- (d) 30% where the billing authority is a London borough council or the Common Council of the City of London;

R is the billing authority's allowance for costs of collection and recovery for the year, calculated in accordance with paragraph 2(1) of Schedule 1;

S is the total of amounts calculated in accordance with regulations made under paragraph 39 or 40 of Schedule 7B to the 1988 Act in respect of the billing authority as an amount to be disregarded for the purpose of a calculation of non-domestic rating income for the year;

[^{F26}T is the amount of any payments made to—

- (a) a county council in accordance with regulation 7 (payments with respect to county matters); and
- (b) a relevant precepting authority in accordance with regulation 7A (payments with respect to shale oil or gas hereditaments);]

U is the amount of a deduction from the central share payment made in accordance with regulation 4(1);

V is the total of any amounts paid to major precepting authorities in accordance with regulation 6.

Textual Amendments

F25 Words in Sch. 3 substituted (10.3.2015) by [The Non-Domestic Rating \(Shale Oil and Gas and Miscellaneous Amendments\) Regulations 2015 \(S.I. 2015/628\)](#), regs. 1(4), **12(6)**

F26 Words in Sch. 3 substituted (10.3.2015) by [The Non-Domestic Rating \(Shale Oil and Gas and Miscellaneous Amendments\) Regulations 2015 \(S.I. 2015/628\)](#), regs. 1(4), **11(6)**

Textual Amendments

F25 Words in Sch. 3 substituted (10.3.2015) by [The Non-Domestic Rating \(Shale Oil and Gas and Miscellaneous Amendments\) Regulations 2015 \(S.I. 2015/628\)](#), regs. 1(4), **12(6)**

F26 Words in Sch. 3 substituted (10.3.2015) by [The Non-Domestic Rating \(Shale Oil and Gas and Miscellaneous Amendments\) Regulations 2015 \(S.I. 2015/628\)](#), regs. 1(4), **11(6)**

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SCHEDULE 4

Regulation 13

Rules for estimation and apportionment of surplus and deficit

Calculation of surplus or deficit

1.—(1) A billing authority must estimate whether there is a surplus or deficit with respect to non-domestic rates in its collection fund for the preceding year, and if so, the amount of the surplus or deficit by calculating the difference between the amount referred to in sub-paragraph (3) and the amount referred to in sub-paragraph (4).

- (2) Where the amount referred to in sub-paragraph (3) is—
- (a) more than the amount referred to in sub-paragraph (4), there is a surplus, the amount of which is the difference;
 - (b) less than the amount referred to in sub-paragraph (4), there is a deficit, the amount of which is the difference;
 - (c) the same as the amount referred to in sub-paragraph (4), there is no surplus or deficit.
- (3) The amount referred to in this sub-paragraph is the total of—
- (a) the amount of any opening surplus with respect to non-domestic rating on the billing authority's collection fund income and expenditure account which was brought forward from the relevant prior year and was shown in the billing authority's accounts for the relevant prior year as such a surplus.;
 - (b) the billing authority's estimate of the total of amounts credited or to be credited to the authority's collection fund income and expenditure account in accordance with proper practices in respect of non-domestic rates payable under sections 43 and 45 of the 1988 Act in the preceding year;
 - (c) transitional protection payments received or to be received by the billing authority under paragraph 33(1) of Schedule 7B to the 1988 Act;
 - (d) transfers to the billing authority's collection fund made or to be made under Part 3 of these Regulations (end of year reconciliations);
 - (e) transfers to the collection fund and any payments by relevant precepting authorities or the Secretary of State under regulation 14 made or to be made in respect of an estimated deficit with respect to non-domestic rating in the billing authority's collection fund for the relevant prior year.
- (4) The amount referred to in this sub-paragraph is the total of—
- (a) the amount of any opening deficit with respect to non-domestic rating on the billing authority's collection fund income and expenditure account which was brought forward from the relevant prior year and was shown in the billing authority's accounts for the relevant prior year as such a deficit;
 - (b) the billing authority's estimate of the total of amounts charged or to be charged to the authority's collection fund income and expenditure account in accordance with proper practices in respect of non-domestic rates payable under sections 43 and 45 of the 1988 Act in the preceding year;
 - (c) transitional protection payments made or to be made by the billing authority under paragraph 33(1) of Schedule 7B to the 1988 Act;
 - (d) payments to the Secretary of State made or to be made under [F27 paragraph 6(2)] of Schedule 7B to the 1988 Act;
 - (e) payments to relevant precepting authorities made or to be made under regulations made under paragraph 9 of Schedule 7B to the 1988 Act;

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- (f) transfers to the billing authority's general fund made or to be made under [^{F28}regulation 8 or] Part 3 of these Regulations;
 - (g) transfers to the billing authority's general fund and payments to relevant precepting authorities and the Secretary of State under regulation 14 in respect of an estimated surplus with respect to non-domestic rating in the billing authority's collection fund for the relevant prior year.
- (5) For the relevant year beginning 1st April 2014 the amounts referred to in sub-paragraphs (3) (a) and (4)(a) are to be zero.
- (6) In this paragraph, a reference to the relevant prior year is a reference to the year beginning two years before the beginning of the relevant year.

Textual Amendments

- F27** Words in Sch. 4 para. 1(4)(d) substituted (30.1.2014) by [The Non-Domestic Rating \(Rates Retention\) \(Amendment\) Regulations 2014 \(S.I. 2014/96\)](#), regs. 1, **2(2)**
- F28** Words in Sch. 4 para. 1(4)(f) inserted (30.1.2014) by [The Non-Domestic Rating \(Rates Retention\) \(Amendment\) Regulations 2014 \(S.I. 2014/96\)](#), regs. 1, **2(3)**

[^{F29}Special provision for the relevant years beginning on 1st April 2014, 1st April 2015 and 1st April 2016

1A.—(1) This paragraph has effect in relation to a billing authority that, in its calculation under regulation 3 (calculation of non-domestic rating income) of the amount specified by paragraph 1 of Schedule 1 for the relevant year beginning on 1st April 2013, spread its provision for refunds in respect of previous years over a 5 year period.

(2) This paragraph has effect in respect of the relevant years beginning on 1st April 2014, 1st April 2015 and 1st April 2016.

(3) The authority shall include in the amount specified by paragraph 1(3) an amount equal to the relevant proportion of the provision for refunds in respect of previous years that it anticipates including in its calculation under regulation 9 (end of year calculations) of the amount specified by paragraph 1 of Schedule 1 for the relevant year beginning on 1st April 2013.

(4) For the purpose of this paragraph the relevant proportion is –

- (a) 60% for the relevant year beginning on 1st April 2014;
- (b) 40% for the relevant year beginning on 1st April 2015;
- (c) 20% for the relevant year beginning on 1st April 2016.

(5) In this paragraph “refunds in respect of previous years” means amounts to be repaid to ratepayers as a consequence of an alteration to a list in accordance with regulations made under section 55 of the 1988 Act in respect of a day in a year prior to the year beginning on 1st April 2013.]

Textual Amendments

- F29** Sch. 4 para. 1A inserted (30.1.2014) by [The Non-Domestic Rating \(Rates Retention\) \(Amendment\) Regulations 2014 \(S.I. 2014/96\)](#), regs. 1, **2(4)**

Apportionment of surplus and deficit

2.—(1) The Secretary of State's share of any surplus or of any deficit for a relevant year is 50% of the surplus or deficit for that year.

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(2) A relevant precepting authority's share of any surplus or of any deficit for a relevant year is the amount of the surplus or deficit for that year multiplied by the relevant precepting authority share set out in regulation 5(3).

(3) The billing authority's share of any surplus or of any deficit for a relevant year is—

[^{F30}(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;]

(b) 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;

(c) 40% where the billing authority is a district council in an area for which there is a county council;

(d) 30% where the billing authority is a London borough council or the Common Council of the City of London.

Textual Amendments

F30 Sch. 4 para. 2(3)(a) substituted (16.1.2017) by [The Non-Domestic Rating \(Rates Retention\) \(Amendment\) Regulations 2016 \(S.I. 2016/1268\)](#), regs. 1(2), **11**

EXPLANATORY NOTE

(This note is not part of the Regulations)

Under paragraph 6 of Schedule 7B to the Local Government Finance Act 1988 (“the 1988 Act”), billing authorities are required to pay a proportion of their non-domestic rating income to the Secretary of State (“the central share”). The proportion that is to be the central share is set out in the Local Government Finance Report for each year.

“Non-domestic rating income” is defined in regulation 3 and Schedule 1. It is an estimate of the aggregate of amounts that will be charged and credited to the authority's income and expenditure account with respect to non-domestic rates in the year accordance with proper accounting practices. This equates to the amounts payable by businesses to the authority under sections 43 and 45 of the 1988 Act in the year, and automatically includes adjustments for previous years. This figure is subject to a number of adjustments – for transitional protection payments made or received by the authority under Part 8 of Schedule 7B to the 1988 Act, for the authority's costs of collection, and for amounts disregarded with respect to areas or classes of hereditament designated under Part 10 of Schedule 7B to the 1988 Act.

Regulation 4 provides for the payment of the central share to the Secretary of State, Regulation 4, with Schedule 2, also provides for an amount to be deducted from the central share payment where rates relief under section 47(1) of the 1988 Act has been granted in a prescribed area. Regulation 6 provides for this deduction to be shared with major precepting authorities if the area is not also designated for the purposes of Part 10 of Schedule 7B (in such a case the billing authority retains the full amount).

Under paragraph 9 of Schedule 7B to the 1988 Act the Secretary of State may require billing authorities to make payments to major precepting authorities of a proportion of their non-domestic

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rating income. Regulation 5 provides that such payments are to be made to county councils, fire and rescue authorities in whose area the billing authority is and, for London authorities, the Greater London Authority.

Regulation 7 provides that a county council receives the amount that has been disregarded in respect of a hereditament because it falls within a class designated under part 10 of Schedule 7B to the 1988 Act if it was the planning authority for the purposes of determining the application that led to the hereditament falling within that class.

Regulation 8 and Schedule 3 provide for the transfer of the authority's share of its income, plus an amount for its costs of collection and the disregarded and deducted amounts, to the authority's General Fund.

Regulation 9 requires the authority to carry out further calculations at the end of the year and have these certificated. If an authority has made provision for bad or doubtful debt that is disallowed by the auditor that carries out the certification, the authority is required by regulation 12 to make adjustment so that it carries this cost, rather than it being shared with the Secretary of State and the major precepting authorities.

Differences between the amounts notified at the start of the year and the certified amounts will result in a surplus or deficit on the billing authority's collection fund income and expenditure account. Provision is made for the reconciliation of certain amounts by regulation 10 and 11 because these amounts will be dealt with outside the provisions of Part 4 of the Regulations. Part 4 provides for the calculation of the surplus or deficit. The amount is to be estimated before the end of the year. It is apportioned between the billing authority, the Secretary of State and the major precepting authorities in the same proportions as the income was shared. Rules for the calculation of the surplus and deficit estimate are set out in Schedule 4.

Part 5 sets out when payments due under the Regulations are to be made and the consequences of late payment.

No separate impact assessment has been prepared for these Regulations, but the impact assessment prepared for the Local Government Finance Act 2012 is relevant:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/8470/2054063.pdf

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