

2017 No. 318

RATING AND VALUATION, ENGLAND

**The Non-Domestic Rating (Designated Areas etc.)
Regulations 2017**

<i>Made</i> - - - -	<i>9th March 2017</i>
<i>Laid before Parliament</i>	<i>10th March 2017</i>
<i>Coming into force</i> - -	<i>1st April 2017</i>

The Secretary of State for Communities and Local Government makes these Regulations in exercise of the powers conferred by section 143(1) and paragraphs 8 and 39 of Schedule 7B to the Local Government Finance Act 1988(a).

These Regulations are made with the consent of the Treasury in accordance with paragraphs 8(3) and 39(13) of that Schedule.

Citation and commencement

1.—(1) These Regulations may be cited as the Non-Domestic Rating (Designated Areas etc.) Regulations 2017.

(2) These Regulations come into force on 1st April 2017.

Application

2. These Regulations apply in relation to England only.

Interpretation

3. In these Regulations—

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

“baseline amount”, in relation to a billing authority, means the amount calculated under Part 3 of Schedule 2 in respect of a designated area for a specified year;

“billing authority” means a billing authority in England all or part of whose area falls within a designated area;

“designated area” means an area designated under regulation 4(1);

“local list” means a local non-domestic rating list(b);

(a) 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).

(b) See section 41(1) of the 1988 Act for the meaning of “local non-domestic rating list”.

“non-domestic rating income”, in relation to a billing authority, means the amount calculated under Part 2 of Schedule 2 in respect of a designated area for a specified year;

“period of designation” has the meaning given in regulation 4(2);

“preceding year” means the chargeable financial year(a) immediately preceding the specified year for which a calculation under Part 3 of Schedule 2 is made;

“revaluation year” means a year in which a local list must be compiled under section 41 of the 1988 Act;

“Schedule 7B” means Schedule 7B to the 1988 Act;

“small business non-domestic rating multiplier”, in relation to a chargeable financial year, means the small business non-domestic rating multiplier for that year determined under Part 1 of Schedule 7 to the 1988 Act(b); and

“specified year” means a chargeable financial year falling within the period of designation.

Designation of areas

4.—(1) The areas listed in Schedule 1 are designated for the purposes of these Regulations.

(2) The designation of those areas takes effect on 1st April 2017 and has effect for the period of 25 years beginning on that date (“period of designation”).

Proportion of non-domestic rating income for a designated area to be disregarded

5.—(1) Part 1 of Schedule 2 provides rules for calculating the proportion of a billing authority’s non-domestic rating income in respect of a designated area for a specified year.

(2) The proportion is to be disregarded for the purpose of calculations under—

(a) any of the following provisions of Schedule 7B—

(i) paragraph 6 (payments in respect of the central share);

(ii) paragraph 13 (calculations following local government finance report);

(iii) paragraph 16 (calculations following amending report);

(iv) paragraph 23 (calculations of levy payments)(c);

(v) paragraph 26 (calculations of safety net payments)(d);

(vi) paragraph 30 (calculations relating to distribution of remaining balance)(e); or

(b) regulations made under any of the following provisions of Schedule 7B—

(i) paragraph 7 (administrative arrangements for payments in respect of the central share);

(ii) paragraph 9 (payments by billing authorities to major precepting authorities);

(iii) paragraph 10 (administrative arrangements for payments by billing authorities to major precepting authorities);

(iv) paragraph 28 (calculations of payments on account).

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

6.—(1) The Non-Domestic Rating (Rates Retention) Regulations 2013(f) are amended as follows.

(a) See section 145(1) of the 1988 Act for the meaning of “chargeable financial year”.

(b) Relevant amendments were made to Schedule 7 by section 62 of the Local Government Act 2003 (c. 26).

(c) The calculation under paragraph 23 must be made in accordance with regulations under paragraph 22.

(d) The calculation under paragraph 26 must be made in accordance with regulations under paragraph 25.

(e) The calculation under paragraph 30 must be made in accordance with the basis of distribution specified in the regulations under that paragraph.

(f) S.I. 2013/452. Amended by S.I. 2014/96, 2015/628 and 2016/317.

(2) In paragraph 1(1) of Schedule 2 (qualifying relief for deduction from central share), in the definition of “red area” for “178” substitute “247”.

Amendment of Non-Domestic Rating (Designated Areas) Regulations 2013

7.—(1) The Non-Domestic Rating (Designated Areas) Regulations 2013(a) are amended as follows.

(2) In regulation 2 (interpretation)—

(a) at the appropriate place insert—

““Birmingham City Centre Designated Area” means the area designated in Schedule 1 by reference to the areas bounded externally by the outer edge of the blue line shown on maps 1 to 26;

“period of designation” means—

(a) for the Birmingham City Centre Designated Area, the period of 33 years specified in regulation 4(2);

(b) for any other designated area, the period of 25 years specified in regulation 4(1);”;

(b) in the definition of “specified year” for “specified in regulation 4” substitute “of designation”.

(3) In regulation 4 (period of designation)—

(a) the existing provision is renumbered as paragraph (1);

(b) in paragraph (1) as renumbered, before “remain” insert “, subject to paragraph (2),”;

(c) after paragraph (1) as renumbered insert—

“(2) The designation of the Birmingham City Centre Designated Area has effect for the period of 33 years which comprises—

(a) the period of 25 years specified in paragraph (1); and

(b) a further period of 8 years beginning immediately after the end of the period specified in paragraph (1).”.

Amendment of Non-Domestic Rating (Designated Areas etc) Regulations 2016

8.—(1) The Non-Domestic Rating (Designated Areas etc) Regulations 2016(b) are amended as follows.

(2) In regulation 3 (interpretation)—

(a) at the appropriate place insert—

““Birmingham City Centre Curzon Extension Designated Area” means the area designated in Schedule 1 by reference to the areas bounded externally by the outer edge of the blue line shown on maps 87 to 102;”;

(b) for the definition of “period of designation” substitute—

““period of designation” means—

(a) for the Birmingham City Centre Curzon Extension Designated Area, the period of 30 years specified in regulation 4(3);

(b) for any other designated area, the period of 25 years specified in regulation 4(2);”.

(3) In paragraph (2) of regulation 4 (designation of areas)—

(a) before “has effect” insert “subject to paragraph (3)”; and

(b) omit the words in brackets.

(a) S.I. 2013/107.

(b) S.I. 2016/317.

(4) After paragraph (2) of regulation 4 insert—

“(3) The designation of the Birmingham City Centre Curzon Extension Designated Area has effect for the period of 30 years which comprises—

- (a) the period of 25 years specified in paragraph (2); and
- (b) a further period of 5 years beginning immediately after the end of the period specified in paragraph (2).”.

We consent

8th March 2017

9th March 2017

Robert Syms
Andrew Griffiths
Two of the Lords Commissioners of Her Majesty’s Treasury

Gavin Barwell
Minister of State
Department for Communities and Local Government

SCHEDULE 1

Regulation 4

Local retention of non-domestic rates: designation of areas

1. Each of the areas listed in column 2 of the table in this Schedule is designated by reference to the area or areas bounded externally by the outer edge of the blue line shown on the map specified in column 1 of the table.

2. A reference in this Schedule to a map is to one of the maps numbered 1 to 74 and entitled “Maps referred to in Schedule 1 to the Non-Domestic Rating (Designated Areas etc.) Regulations 2017”, 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 for Communities and Local Government and, in relation to each map, at the offices of the billing authority to which the map relates.

3. For the purposes of determining a designated area, where part only of a hereditament is situated within an area shown on a map, the whole of the hereditament is taken to be included within that designated area.

<i>Numbered map (Column 1)</i>	<i>Designated area (Column 2)</i>	<i>Billing authority (Column 3)</i>	<i>Value of J (£) (see paragraph 4(2) of Schedule 2) (Column 4)</i>
1	Marine Hub Cornwall – Hayle North Quay	Cornwall Council	73,887
2	Marine Hub Cornwall – Tolvaddon	Cornwall Council	0
3	Marine Hub Cornwall – Falmouth Docks	Cornwall Council	11,855
4	Dorset Innovation Park	Purbeck District Council	263,396
5	Basing View	Basingstoke and Deane Borough Council	2,131,596
6	EM3 Enterprise Zone – Louisburg	East Hampshire District Council	0

7	EM3 Enterprise Zone – Longcross Park	Runnymede Borough Council	602,682
8	Heart of the South West – Exeter Science Park	East Devon District Council	237,466
9	Heart of the South West – Sky Park, Exeter	East Devon District Council	401,476
10	Heart of the South West – Exeter Airport Business Park Expansion Area	East Devon District Council	0
11	Heart of the South West – Cranbrook Commercial Area	East Devon District Council	0
12	Heart of the South West – Huntspill Energy Park	Sedgemoor District Council	20,741
13	Hertfordshire Enviro-Tech Enterprise Zone – Kier Site	Dacorum Borough Council	0
14	Hertfordshire Enviro-Tech Enterprise Zone – Spencer`s Park (Phase 2) Site	Dacorum Borough Council	0
15	Hertfordshire Enviro-Tech Enterprise Zone – HCA Site	Dacorum Borough Council	0
16	Hertfordshire Enviro-Tech Enterprise Zone – DBC Site	Dacorum Borough Council	61,283
17	Hertfordshire Enviro-Tech Enterprise Zone – Crown Estates Site	St Albans City and District Council	40,656
18	Hertfordshire Enviro-Tech Enterprise Zone – Building Research Establishment Site	St Albans City and District Council	865,737
19	Hertfordshire Enviro-Tech Enterprise Zone – Rothamsted Research Site	St Albans City and District Council	90,719
20	Leeds City Region Enterprise Zones (Phase 2) – Lanthwaite Grange Extension	Wakefield Metropolitan District Council	0
21	Leeds City Region Enterprise Zones (Phase 2) – South Kirby Business Park	Wakefield Metropolitan District Council	0
22	Leeds City Region Enterprise Zones (Phase 2) – Clifton Business Park	Metropolitan Borough of Calderdale	0
23	Leeds City Region Enterprise Zones (Phase 2) – Lindley Moor East	Metropolitan Borough of Kirklees	0
24	Leeds City Region Enterprise Zones (Phase 2) – Lindley Moor West	Metropolitan Borough of Kirklees	0

25	Leeds City Region Enterprise Zones (Phase 2) – Moor Park, Mirfield	Metropolitan Borough of Kirklees	0
26	Leeds City Region Enterprise Zones (Phase 2) – Parry Lane	City of Bradford Metropolitan District Council	0
27	Leeds City Region Enterprise Zones (Phase 2) – Staithgate Lane	City of Bradford Metropolitan District Council	0
28	Leeds City Region Enterprise Zones (Phase 2) – Gain Lane	City of Bradford Metropolitan District Council	0
29	Great Yarmouth and Lowestoft Extension – Beacon Park	Great Yarmouth Borough Council	0
30	Great Yarmouth and Lowestoft Extension – Vanguard Point	Great Yarmouth Borough Council	6,536
31	Great Yarmouth and Lowestoft Extension – Havenshore Base South	Great Yarmouth Borough Council	2,709
32	Great Yarmouth and Lowestoft Extension – Victory Court	Great Yarmouth Borough Council	2,116
33	Great Yarmouth and Lowestoft Extension – Riverside Road: Phase 2	Waveney District Council	13,864
34	Great Yarmouth and Lowestoft Extension – Mobbs Way: Phase 2	Waveney District Council	28,980
35	North East Enterprise Zone – Hawthorn Prestige Business Park	Durham County Council	0
36	North East Enterprise Zone – Follingsby Business Park	Metropolitan Borough of Gateshead	0
37	North East Enterprise Zone – North Bank of the Tyne Extension	Newcastle City Council	0
38	North East Enterprise Zone – Newcastle International Airport Business Park	Newcastle City Council	0
39	North East Enterprise Zone – Fairmoor	Northumberland County Council	0
40	North East Enterprise Zone – Ashwood Business Park	Northumberland County Council	0
41	North East Enterprise Zone – Ramparts Business Park	Northumberland County Council	19,858
42	North East Enterprise Zone – Holborn Riverside Development	South Tyneside Council	0

43	North East Enterprise Zone – Tyne Dock Enterprise Park	South Tyneside Council	0
44	North East Enterprise Zone – Port of Sunderland	Sunderland City Council	0
45	Newhaven Enterprise Zone – East Quay	Lewes District Council	250,658
46	Newhaven Enterprise Zone – Eastside North	Lewes District Council	0
47	Newhaven Enterprise Zone – Eastside South	Lewes District Council	0
48	Newhaven Enterprise Zone – North Quay	Lewes District Council	171,780
49	Newhaven Enterprise Zone – Railway Quay	Lewes District Council	1,291
50	Newhaven Enterprise Zone – Bevan Funnell	Lewes District Council	61,903
51	Newhaven Enterprise Zone - Town Centre	Lewes District Council	290,863
52	Newhaven Enterprise Zone – Avis Way	Lewes District Council	1,303,156
53	North Kent Enterprise Zone – Northfleet Riverside East	Gravesham Borough Council	0
54	North Kent Enterprise Zone – Northfleet Riverside West	Gravesham Borough Council	0
55	North Kent Enterprise Zone – Ebbsfleet Central Northfleet Rise	Dartford Borough Council	0
56	North Kent Enterprise Zone – Ebbsfleet Central Northfleet Rise	Gravesham Borough Council	0
57	North Kent Enterprise Zone – Kent Medical Campus	Maidstone Borough Council	0
58	North Kent Enterprise Zone – Rochester Airport Technology Park	Medway Council	10,890
59	North Kent Enterprise Zone – Rochester Airport Technology Park	Tonbridge & Malling Borough Council	0
60	Bristol Temple Quarter Enterprise Zone Extension – Bristol Temple Quarter Extension Area	Bristol City Council	3,812,784
61	Bristol Temple Quarter Enterprise Zone Extension – Roseberry Place	Bath and North East Somerset Council	15,431
62	Bristol Temple Quarter Enterprise Zone Extension – Old Mills	Bath and North East Somerset Council	0
63	York Central Enterprise Zone – York Central Site	City of York Council	745,853

64	Blackpool Airport Corridor Enterprise Zone – Blackpool Airport Corridor	Blackpool Borough Council	1,503,000
65	Blackpool Airport Corridor Enterprise Zone – Blackpool Airport Corridor	Fylde Borough Council	870,000
66	Oceansgate – South Yard	Plymouth City Council	528,465
67	DY5 – Dudley’s Business and Innovation Enterprise Zone – Archill	Dudley Council	14,726
68	DY5 – Dudley’s Business and Innovation Enterprise Zone – Harts Hill	Dudley Council	19,222
69	DY5 – Dudley’s Business and Innovation Enterprise Zone – Canal Walk	Dudley Council	0
70	DY5 – Dudley’s Business and Innovation Enterprise Zone – Blackbrook Valley	Dudley Council	16,575
71	DY5 – Dudley’s Business and Innovation Enterprise Zone – Pensnett	Dudley Council	92,812
72	Loughborough & Leicester Science and Innovation Enterprise Zone – Loughborough University Science and Enterprise Park	Charnwood Borough Council	0
73	Loughborough & Leicester Science and Innovation Enterprise Zone – Charnwood Campus	Charnwood Borough Council	119,000
74	Loughborough & Leicester Science and Innovation Enterprise Zone – Leicester Waterside	Leicester City Council	2,334,075

SCHEDULE 2

Regulation 5

Calculations for designated areas

PART 1

Proportion of non-domestic rating income to be disregarded

1.—(1) Unless sub-paragraph (2) applies, the proportion of a billing authority’s non-domestic rating income in respect of a designated area for a specified year is the difference between the authority’s—

- (a) non-domestic rating income in respect of the designated area for that year; and
- (b) baseline amount in respect of the designated area for that year.

(2) If the baseline amount is greater than or equal to the non-domestic rating income, the proportion is zero.

PART 2

Calculation of non-domestic rating income

2.—(1) A billing authority's non-domestic rating income in respect of a designated area for a specified year is the amount calculated in accordance with the formula—

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

where—

A is the total of the amounts credited to the authority's collection fund income and expenditure account in that year in accordance with proper practices^(a) in respect of non-domestic rates payable under sections 43 and 45 of the 1988 Act in respect of hereditaments situated in the designated area;

B is the total of the amounts charged to the authority's collection fund income and expenditure account in that 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 hereditaments situated in the designated area;

C is the amount of any transitional protection payments under paragraph 33(1) of Schedule 7B made to the authority in that year in respect of hereditaments situated in the designated area;

D is the amount of any transitional protection payments under paragraph 33(1) of Schedule 7B made by the authority in that year in respect of hereditaments situated in the designated area;

E is the total of the amounts credited to the authority's collection fund income and expenditure account in that 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 hereditaments situated in the designated area to which sub-paragraph (2) applies;

F is the total of the amounts charged to the authority's collection fund income and expenditure account in that 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 hereditaments situated in the designated area to which sub-paragraph (2) applies;

G is the amount of transitional protection payments under paragraph 33(1) of Schedule 7B made by the authority in that year in respect of hereditaments situated in the designated area to which sub-paragraph (2) applies;

H is the amount of transitional protection payments under paragraph 33(1) of Schedule 7B made to the authority in that year in respect of hereditaments situated in the designated area to which sub-paragraph (2) applies.

(2) This sub-paragraph applies to a hereditament which—

- (a) is to be treated as one hereditament by virtue of regulations under section 64(3)(b) of the 1988 Act; and
- (b) would have constituted three or more separate hereditaments had regulations under section 64(3)(b) not been made.

(3) In this paragraph, references to an 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 amounts in respect of the authority's income or expenditure relating to sums paid or to be paid into or payments met or to be met from the authority's collection fund.

(a) The meaning of proper practices is given in section 21 of the Local Government Act 2003 (c. 26), which applies to these Regulations by virtue of subsection (4)(e) of that section.

PART 3

Calculation of the baseline amount

For the specified year beginning on 1st April 2017

3. For the specified year beginning on 1st April 2017, a billing authority's baseline amount in respect of a designated area is the amount provided in column 4 of the table in Schedule 1 in relation to the designated area.

For a specified year that is not a revaluation year

4.—(1) If a specified year is not a revaluation year, a billing authority's baseline amount in respect of a designated area for the specified year is the amount calculated under sub-paragraph (2) or (3).

(2) For the specified year beginning on 1st April 2018, the baseline amount is calculated in accordance with the formula—

$$J \times \frac{K_2}{K_1}$$

where—

J is the amount provided in column 4 of the table in Schedule 1 in relation to the designated area;

K₂ is the small business non-domestic rating multiplier for the specified year; and

K₁ is the small business non-domestic rating multiplier for the preceding year.

(3) For a subsequent specified year which is not a revaluation year, the baseline amount is calculated in accordance with the formula—

$$L \times \frac{M_2}{M_1}$$

where—

L is the amount calculated under sub-paragraph (2), this sub-paragraph or paragraph 5(1) for the preceding year;

M₂ is the small business non-domestic rating multiplier for the specified year; and

M₁ is the small business non-domestic rating multiplier for the preceding year.

For a specified year that is a revaluation year other than the specified year beginning on 1st April 2017

5.—(1) If a specified year is a revaluation year other than the specified year beginning on 1st April 2017, a billing authority's baseline amount in respect of a designated area for the specified year is the amount calculated in accordance with the formula—

$$N \times \left(\frac{P \times R_2}{Q \times R_1} \right)$$

where—

N is the amount calculated in accordance with paragraph 4(2) or (3) for the preceding year;

P is the aggregate rateable values shown in the billing authority's local list for 1st April in the specified year for the hereditaments, other than those hereditaments to which paragraph 2(2) applies, falling within the designated area;

Q is the aggregate rateable values shown in the billing authority's local list for 31st March in the preceding year for the hereditaments, other than those hereditaments to which paragraph 2(2) applies, falling within the designated area;

R₂ is the small business non-domestic rating multiplier for the specified year;

R₁ is the small business non-domestic rating multiplier for the preceding year.

(2) For the purposes of this paragraph, the rateable value of a hereditament shown in the billing authority's local list for 31st March in the preceding year is taken to be the rateable value that would have been shown in that list for that day had the circumstances relating to that hereditament been as they were on 1st April in the specified year.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations designate areas in England ("designated areas") for the purpose of paragraph 39(1)(a) of Schedule 7B to the Local Government Finance Act 1988 ("the 1988 Act") (local retention of non-domestic rates). They provide rules for calculating in respect of a billing authority in England all or part of whose area falls within a designated area—

- (a) the billing authority's non-domestic rating income in respect of the designated area for a specified year; and
- (b) the proportion of that non-domestic rating income that is to be disregarded for the purpose of specified calculations under Schedule 7B to the 1988 Act.

The calculations are to be made separately for each designated area within which a billing authority's area falls.

Regulation 4(1) and Schedule 1 designate the areas. The designation of the areas is made by reference to maps which are available for inspection at the offices of the Secretary of State for Communities and Local Government or at the office of the billing authority.

Regulation 4(2) provides that the designation of the areas takes effect on 1st April 2017 and has effect for a period of 25 years beginning on that date (period of designation). The effect of specifying the period of designation is to trigger paragraph 39(9) of Schedule 7B to the 1988 Act which prevents the revocation of the Regulations and certain kinds of amendments to the Regulations until after the end of that period.

Regulation 5 and Schedule 2 provide the rules for the calculations.

Part 1 of Schedule 2 provides rules for calculating the proportion of non-domestic rating income in respect of a designated area for a specified year that is to be disregarded for specified calculations under Schedule 7B to the 1988 Act. The proportion is calculated by subtracting the baseline amount in respect of the designated area for the specified year (calculated under Part 3 of Schedule 2) from the non-domestic rating income in respect of that area for that year (calculated under Part 2 of Schedule 2).

Non-domestic rating income in respect of a designated area for a specified year is essentially the amounts payable to a billing authority under sections 43 and 45 of the 1988 Act for that year in respect of hereditaments situated in the designated area, subject to a number of adjustments.

The baseline amount in respect of a designated area for the specified year beginning on 1st April 2017 is the amount specified in column 4 of the table in Schedule 1 (this amount represents the existing non-domestic rating income for the designated area). For each subsequent specified year, the baseline amount is an uprated amount representing growth in the billing authority's income in the designated area.

Regulation 6 amends the definition of "red area" in Schedule 2 to the Non-Domestic Rating (Rates Retention) Regulations 2013 (S.I. 2013/452) to include the areas designated under these

Regulations which fall within that definition. In that Schedule, a “red area” is an area for which billing authorities are compensated for business rates relief they give to ratepayers.

Regulation 7 amends the Non-Domestic Rating (Designated Areas) Regulations 2013 (S.I. 2013/107) to extend the period of designation of the Birmingham City Centre Designated Area by 8 years.

Regulation 8 amends the Non-Domestic Rating (Designated Areas etc) Regulations 2016 (S.I. 2016/317) to extend the period of designation of the Birmingham City Centre Curzon Extension Designated Area by 5 years.

No separate impact assessment has been prepared for these Regulations, but the impact assessment prepared for the Local Government Finance Act 2012 (c. 17) is relevant:

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

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