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STATUTORY INSTRUMENTS

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**2019 No. 709**

**The Non-Domestic Rating (Rates Retention and Levy and Safety Net) (Amendment) and (Levy Account: Basis of Distribution) Regulations 2019**

**PART 3**

Levy and safety net

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

**11.** The Non-Domestic Rating (Levy and Safety Net) Regulations 2013<sup>(1)</sup> are amended in accordance with regulations 12 to 18.

**Amendment of regulation 2**

**12.** In regulation 2 (interpretation), in the definition of “business rates baseline”—

- (a) at the end of paragraph (a), omit “and”;
- (b) after paragraph (b) insert—  
“and
- (c) for the year<sup>(2)</sup> commencing on 1st April 2019, the amount specified with respect to an authority by regulation 5 and Schedule 5;”.

**Amendment of regulation 5**

**13.** In regulation 5 (business rates baseline and baseline funding level)—

- (a) after paragraph (1A), insert—  
“(1B) For the year commencing on 1st April 2019 the business rates baseline of an authority listed in column A of the table in Schedule 5 is the amount specified with respect to that authority in column B of that table.”;
- (b) in paragraph (3), at the beginning insert “Unless paragraph (3ZA) or (3ZB) applies,”;
- (c) after paragraph (3), insert—  
“(3ZA) The baseline funding level of the Council of the Isles of Scilly—
  - (a) for the year commencing on 1st April 2018 is £1,478,412;
  - (b) for the year commencing on 1st April 2019 is £1,526,779.  
“(3ZB) For the year commencing on 1st April 2019, the baseline funding level for an authority listed in column A of the table in Schedule 5 is the amount listed in column C of the table in Schedule 5.”.

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(1) S.I. 2013/737; amended by S.I. 2014/822, S.I. 2015/617, S.I. 2015/2039, S.I. 2017/496 and S.I. 2018/463.

(2) See paragraph 45 of Schedule 7B to the Local Government Finance Act 1988 for the meaning of “year”.

**Amendment of regulation 6**

14. In regulation 6 (individual levy rates and safety net thresholds)—

- (a) in paragraph (2A), for “or (2D)” substitute “, (2D), (2E) or (2F)”;
- (b) in paragraph (2D), after “Schedule 3,” insert “and a pool of authorities<sup>(3)</sup> named within those Parts,”;
- (c) after paragraph (2D), insert—

“(2E) For an authority—

- (a) listed in Part 6 of Schedule 3 (other than Coventry City Council); or
- (b) listed in Parts 20 to 34 of that Schedule, and a pool of authorities named within those Parts,

the individual levy rate for a relevant year beginning on or after 1st April 2019 is zero.

(2F) For an authority listed in column A of the table in Schedule 5, for a relevant year beginning on or after 1st April 2019 the authority’s individual levy rate is 0.5 or the figure calculated in accordance with the formula in paragraph (2G), whichever is less.

(2G) The formula is—

$$1 - \frac{E}{F}$$

where—

E is the authority’s baseline funding level for the year beginning on 1st April 2019; and

F is the authority’s business rates baseline for the year beginning on 1st April 2019.”.

**Amendment of Schedule 1**

15.—(1) Schedule 1 (calculation of retained rates income) is amended as follows.

(2) In paragraph 1(1)—

- (a) for the formula, substitute—

$$„K(L + N - M - O + T + Y) + (P - Q),”$$

- (b) in the definition of P—

(i) in paragraph (a), for “or (c)” substitute “, (c) or (d)”;

(ii) after paragraph (c), insert—

“(d) where the billing authority is listed in Parts 20 to 34 of Schedule 3, for the relevant year beginning on 1st April 2019, the amount calculated for that authority in accordance with the formula—

$$A \times (B \div C)$$

where—

A is the amount specified for that authority in column E of Schedule 4;

B is the small business non-domestic rating multiplier in relation to the year beginning on 1st April 2019; and

(3) See paragraph 45 of Schedule 7B to the Local Government Finance Act 1988 for the meaning of “pool of authorities”.

C is the small business non-domestic rating multiplier in relation to the year beginning on 1st April 2018;”;

(c) in the definition of Q—

- (i) in paragraph (a), for “or (c)” substitute “, (c) or (d)”;
- (ii) at the end of paragraph (c), omit “and”;
- (iii) after paragraph (c), insert—

“(d) where the billing authority is listed in Parts 20 to 34 of Schedule 3, for the relevant year beginning on 1st April 2019, the amount calculated for that authority in accordance with the formula—

$$A \times (B \div C)$$

where—

A is—

- (a) subject to paragraph (b), the amount specified for that authority in column F of Schedule 4;
- (b) for Somerset West and Taunton Council, £17,694,364;

B is the small business non-domestic rating multiplier in relation to the year beginning on 1st April 2019; and

C is the small business non-domestic rating multiplier in relation to the year beginning on 1st April 2018;”;

(d) after the definition of “T”, insert—

“and

Y is—

- (a) for the relevant years beginning on 1st April 2013, 1st April 2014, 1st April 2015 and 1st April 2016, zero;
- (b) unless paragraph (c) applies, for a relevant year beginning on or after 1st April 2017, the amount specified for that authority in column H of Schedule 4;
- (c) for an authority listed in column A of Schedule 5, for a relevant year beginning on or after 1st April 2019, the amount specified for that authority in column E of Schedule 5.”.

(3) In paragraph 1(4B)—

- (a) at the beginning of paragraph (b), insert “unless paragraph (c) applies,”;
- (b) after paragraph (b), insert—

“(c) for an authority listed in column A of Schedule 5, for a relevant year beginning on or after 1st April 2019, the amount specified for that authority in column D of Schedule 5.”.

(4) In paragraph 2—

- (a) for the formula, substitute—

$$„S(R + U + Z) + (P - Q),”$$

(b) in the definition of S—

- (i) at the beginning of paragraph (iii), insert “unless paragraph (iiia) applies,”;
- (ii) after paragraph (iii), insert—

“(iia) for a relevant year commencing on or after 1st April 2017, 37% where the relevant authority is the Greater London Authority;”;

(iii) in paragraph (iv), for “(a)” substitute “(i)”;

(c) for the definitions of P and Q, substitute—

“P is—

- (a) unless paragraph (b), (c) or (d) of this definition applies, the amount paid to the authority by the Secretary of State for the relevant year in accordance with Part 5 of Schedule 7B to the 1988 Act (principal payments in connection with local retention of non-domestic rates);
- (b) for the relevant year beginning on 1st April 2017, the amount specified for that authority in column C of Schedule 4;
- (c) for the relevant year beginning on 1st April 2018, the amount specified for that authority in column E of Schedule 4; and
- (d) where the major precepting authority is listed in Parts 21 to 34 of Schedule 3, for the relevant year beginning on 1st April 2019, the amount calculated for that authority in accordance with the formula—

$$A \times (B \div C)$$

where—

A is—

- (a) subject to paragraph (b), the amount specified for that authority in column E of Schedule 4;
- (b) for Northamptonshire County Council, £60,927,097;

B is the small business non-domestic rating multiplier in relation to the year commencing on 1st April 2019; and

C is the small business non-domestic rating multiplier in relation to the year commencing on 1st April 2018;

Q is—

- (a) unless paragraph (b), (c) or (d) of this definition applies, the amount paid to the authority by the Secretary of State for the relevant year in accordance with Part 5 of Schedule 7B to the 1988 Act (principal payments in connection with local retention of non-domestic rates);
- (b) for the relevant year beginning on 1st April 2017, the amount specified for that authority in column D of Schedule 4;
- (c) for the relevant year beginning on 1st April 2018, the amount specified for that authority in column F of Schedule 4; and
- (d) where the major precepting authority is listed in Parts 21 to 34 of Schedule 3, for the relevant year beginning on 1st April 2019, the amount calculated for that authority in accordance with the formula—

$$A \times (B \div C)$$

where—

A is the amount specified for that authority in column F of Schedule 4;

B is the small business non-domestic rating multiplier in relation to the year commencing on 1st April 2019; and

C is the small business non-domestic rating multiplier in relation to the year commencing on 1st April 2018;”;

(d) at the end of the definition of Q omit “and”;

(e) after the definition of “U”, insert—

“and

Z is—

(a) for the relevant years beginning on 1st April 2013, 1st April 2014, 1st April 2015 and 1st April 2016, zero;

(b) for a relevant year beginning on or after 1st April 2017, the sum of the amounts specified as Y for the relevant year in accordance with paragraph 1(1) for each of the billing authorities that is required to make payments to the major precepting authority for the relevant year under Part 4 of Schedule 7B to the 1988 Act.”.

### **Amendment of Schedule 3**

**16.** In Schedule 3 (list of authorities)—

(a) in Part 9 after “Ealing” insert “Enfield”;

(b) after Part 19 insert Parts 20 to 34 which are set out in Schedule 2 to these Regulations.

### **Substitution of Schedule 4**

**17.** For Schedule 4 (table of authorities, business rates baselines, values for P and Q and A) substitute the Schedule which is set out in Schedule 3 to these Regulations.

### **Insertion of Schedule 5**

**18.** After Schedule 4 insert Schedule 5 which is set out in Schedule 4 to these Regulations.