
STATUTORY INSTRUMENTS

2017 No. 1132

RATING AND VALUATION, ENGLAND

The Non-Domestic Rating (Renewable Energy Projects) (Amendment) Regulations 2017

Made - - - - 21st November 2017
22nd November
Laid before Parliament 2017
Coming into force - - 14th December 2017

The Secretary of State makes the following Regulations in exercise of the powers conferred by paragraph 40 of Schedule 7B to the Local Government Finance Act 1988(1).

Before making these Regulations, the Secretary of State has consulted such persons as the Secretary of State thinks fit in accordance with paragraph 40(8) of Schedule 7B.

These Regulations are made with the consent of the Treasury in accordance with paragraph 40(10) of Schedule 7B.

Citation and commencement

1. These Regulations may be cited as the Non-Domestic Rating (Renewable Energy Projects) (Amendment) Regulations 2017 and come into force on 14th December 2017.

Amendment of the Non-Domestic Rating (Renewable Energy Projects) Regulations 2013

2. The Non-Domestic Rating (Renewable Energy Projects) Regulations 2013(2) are amended as follows.

Amendment of regulation 7

3. In regulation 7 (class B: existing renewable power stations)—
- (a) for paragraph (2)(c) substitute—
 - “(c) the rateable value for the hereditament—

(1) 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).

(2) S.I. 2013/108.

- (i) for a day falling within the period beginning on 1st April 2013 and ending on 31st March 2018, is greater than the rateable value of that hereditament for 31st March 2013;
- (ii) for a day on or after 1st April 2018, is greater than the amount calculated in accordance with the formula—

$$X \times \frac{Y}{Y1}$$

where—

X is the rateable value shown for the hereditament in a local non-domestic rating list for 31st March 2013;

Y is the rateable value shown for the hereditament in a local non-domestic rating list for 1st April 2017;

Y1 is the rateable value shown for the hereditament in a local non-domestic rating list for 31st March 2017.”; and

- (b) after paragraph (2) insert—

“(3) For a hereditament to which regulation 19 (change in rateable value on 1st April 2017) applies, this regulation has effect subject to the modification made by that provision.”.

Amendment of regulation 8

- 4. In regulation 8 (class C: renewable power stations created from class B hereditaments)—

- (a) for paragraph (2)(c) substitute—

“(c) the rateable value for the hereditament—

- (i) for a day falling within the period beginning on 1st April 2013 and ending on 31st March 2018, is greater than the notional 31st March 2013 rateable value in respect of that hereditament determined in accordance with Schedule 1 or 2 (as the case may be);
- (ii) for a day on or after 1st April 2018, is greater than the amount calculated in accordance with the formula—

$$Z \times \frac{Y}{Y1}$$

where—

Z is the notional 31st March 2013 rateable value in respect of the hereditament determined in accordance with Schedule 1 or 2 (as the case may be);

Y is the rateable value shown for the hereditament in a local non-domestic rating list for 1st April 2017;

Y1 is the rateable value shown for the hereditament in a local non-domestic rating list for 31st March 2017; and”;

- (b) after paragraph (2) insert—

“(3) For a hereditament to which regulation 19 (change in rateable value on 1st April 2017) applies, this regulation has effect subject to the modification made by that provision.”.

Amendment of regulation 15

5.—(1) The existing provisions of regulation 15 (calculation of the amount to be disregarded: class B) become paragraph (1) of that regulation, and in that paragraph—

(a) for the formula substitute—

$$(E - (F - G)) \times ((H - J) / H)$$

(b) for the definition of “J” substitute—

“J is—

- (a) for a day falling within the period beginning on 1st April 2013 and ending on 31st March 2017, the rateable value shown for the hereditament in a local non-domestic rating list for 31st March 2013;
- (b) for a day on or after 1st April 2017, the amount calculated in accordance with the formula—

$$X \times \frac{Y}{Y1}$$

where—

X is the rateable value shown for the hereditament in a local non-domestic rating list for 31st March 2013;

Y is the rateable value shown for the hereditament in a local non-domestic rating list for 1st April 2017;

Y1 is the rateable value shown for the hereditament in a local non-domestic rating list for 31st March 2017.”.

(2) After paragraph (1) insert—

“(2) For a hereditament to which regulation 19 (change in rateable value on 1st April 2017) applies, this regulation has effect subject to the modification made by that provision.”.

Amendment of regulation 16

6.—(1) The existing provisions of regulation 16 (calculation of the amount to be disregarded: class C) become paragraph (1) of that regulation, and in that paragraph—

(a) for the formula substitute—

$$(E - (K - L)) \times ((H - M) / H)$$

(b) for the definition of “M” substitute—

“M is—

- (a) for a day falling within the period beginning on 1st April 2013 and ending on 31st March 2017, the notional 31st March 2013 rateable value in respect of the hereditament determined in accordance with Schedule 1 or 2 (as the case may be);
- (b) for a day on or after 1st April 2017, the amount calculated in accordance with the formula—

$$Z \times \frac{Y}{Y1}$$

where—

Z is the notional 31st March 2013 rateable value in respect of the hereditament determined in accordance with Schedule 1 or 2 (as the case may be);

Y is the rateable value shown for the hereditament in a local non-domestic rating list for 1st April 2017;

Y1 is the rateable value shown for the hereditament in a local non-domestic rating list for 31st March 2017.”.

(2) After paragraph (1) insert—

“(2) For a hereditament to which regulation 19 (change in rateable value on 1st April 2017) applies, this regulation has effect subject to the modification made by that provision.”.

Amendment of regulation 17

7. In regulation 17 (calculation of the amount to be disregarded: class D), for the formula substitute—

$$(E - (N - P)) \times (Q / H)$$

Amendment of regulation 18

8. In regulation 18 (calculation of the amount to be disregarded: class E), for the formula substitute—

$$(E - (N - P)) \times (Q / H)$$

Insertion of regulation 19

9. After regulation 18 (calculation of the amount to be disregarded: class E), insert—

“Change in rateable value on 1st April 2017

19.—(1) This regulation applies where—

- (a) any circumstances regarding a relevant factor taken into account in determining the rateable value shown in a local list for a hereditament falling within a designated class for 1st April 2017, differ from the circumstances regarding that factor existing on 31st March 2017, and
- (b) consequently the rateable value shown for 1st April 2017 is different from that which would have been shown if the circumstances regarding that factor existing on 31st March 2017 had continued to exist on 1st April 2017.

(2) Where this regulation applies, the relevant valuation officer must, on request by the authority, certify the rateable value which would have been shown for 1st April 2017 if that value had fallen to be determined as regards the relevant factor by reference to the circumstances existing on 31st March 2017.

(3) Where this regulation applies, the references in regulations 7 (class B: existing renewable power stations, 8 (class C: renewable power stations created from class B hereditaments), 15 (calculation of the amount to be disregarded: class B) and 16 (calculation of the amount to be disregarded: class C) to a rateable value shown for 1st April 2017 are to be treated as references to the value certified by the relevant valuation officer in accordance with paragraph (2).

(4) In this regulation “relevant factor” means—

- (a) any matter mentioned in paragraph 2(7) of Schedule 6 to the 1988 Act, or
- (b) the extent to which a hereditament is exempt from non-domestic rating.”.

We consent to the making of these Regulations

20th November 2017

David Evennett
Heather Wheeler
Two of the Lords Commissioners of Her
Majesty’s Treasury

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

21st November 2017

Marcus Jones
Parliamentary Under Secretary of State
Department for Communities and Local
Government

EXPLANATORY NOTE

(This note is not part of the Regulations)

The Local Government Finance Act 1988 provides for non-domestic hereditaments to be revalued every 5 years. On a revaluation new non-domestic rating lists are compiled showing the updated rateable values of all hereditaments. The last compilation date was 1st April 2017. The Non-Domestic Rating (Renewable Energy Projects) Regulations 2013 (“the 2013 Regulations”) operate on the basis that any increase in rateable value from 31st March 2013 can be attributed to a change in the hereditament or its use. The effect of the revaluation is that, from 1st April 2017, hereditaments may have seen changes in rateable value compared with 31st March 2013 without there necessarily having been a change to the hereditament.

These Regulations amend the 2013 Regulations to provide for—

- (a) changes to the classes of hereditaments in relation to which a billing authority may disregard an amount of non-domestic rating income for the purpose of certain calculations under Schedule 7B to the Local Government Act 1988 (local retention of non-domestic rates) in respect of financial years beginning on or after 1st April 2018; and
- (b) changes to the calculation of the amounts to be disregarded for the purposes of calculations under the rates retention scheme in respect of a financial year beginning on or after 1st April 2017.

These changes are being made to ensure that, when comparing rateable values with those as of 31st March 2013, any changes attributable to the revaluation are not taken into account.

Regulations 3 and 4 make amendments to the factors by reference to which classes B and C are designated, in respect of financial years beginning on or after 1st April 2018.

Regulations 5 and 6 make amendments to the calculation of the amount to be disregarded in respect of hereditaments within classes B and C in respect of financial years beginning on or after 1st April 2017.

Regulations 5, 6, 7 and 8 also make amendments to provide clarification to the formulae for calculating the amount to be disregarded in respect of hereditaments within classes B, C, D and E.

Regulation 9 provides for a modification in relation to cases where there has been a change to the rateable value of the hereditament which is not attributable to the revaluation on 1st April 2017.

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