This Statutory Instrument has been made partly in consequence of a defect in S.I. 2022/189 and is being issued free of charge to all known recipients of that Statutory Instrument.

Draft Regulations laid before Parliament under section 143(9D) of the Local Government Finance Act 1988 (c. 41), for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2025 No.

RATING AND VALUATION, ENGLAND

The Non-Domestic Rating (Levy and Safety Net) (Amendment) Regulations 2025

Made - - - - ***

Coming into force

The Secretary of State makes these Regulations in exercise of the powers conferred by section 143(1) of, and paragraphs 22 and 25 of Schedule 7B to, the Local Government Finance Act 1988(**a**).

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

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Non-Domestic Rating (Levy and Safety Net) (Amendment) Regulations 2025 and come into force on the day after the day on which they are made.

(2) These Regulations extend to England and Wales.

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

2. The Non-Domestic Rating (Levy and Safety Net) Regulations 2013(**c**) are amended as follows.

Amendment of Schedule 1

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

(2) In paragraph 1(1) (calculation for billing authorities)—

(**a**) 1988 c. 41. Schedule 7B was inserted by section 1 of, and Schedule 1 to, the Local Government Finance Act 2012 (c. 17) and amended by section 9 of the Non-Domestic Rating Act 2023 (c. 53).
(**b**) Subsection (9D) was inserted in section 143 by section 1 of the Local Government Finance Act 2012.
(**c**) S.I. 2013/737; amended by S.I. 2017/496, S.I. 2018/463, S.I. 2019/709, S.I. 2020/1357, S.I. 2022/189, S.I. 2023/268 and S.I. 2024/324.

(a) in the definition of P, in paragraph (i), for the words "for the relevant year beginning on 1st April 2024, the amount calculated for that authority in accordance with the formula—", substitute—

"for—

(i) the relevant year beginning on 1st April 2024;

(ii) the relevant year beginning on 1st April 2025 where the billing authority is listed in Parts 2 to 8 of Schedule 3,

the amount calculated for that authority in accordance with the formula—";

(b) In the definition of Q, in paragraph (i), for the words "for the relevant year beginning on 1st April 2024, the amount calculated for that authority in accordance with the formula—", substitute—

"for—

(i) the relevant year beginning on 1st April 2024;

(ii) the relevant year beginning on 1st April 2025 where the billing authority is listed in Parts 2 to 8 of Schedule 3,

the amount calculated for that authority in accordance with the formula—".

(3) In paragraph 2 (calculation for major precepting authorities)—

(a) in the definition of Q, in paragraph (f), for the words "for the relevant year beginning on 1st April 2024, the amount calculated for that authority in accordance with the formula—", substitute—

"for—

(i) the relevant year beginning on 1st April 2024;

(ii) the relevant year beginning on 1st April 2025 where the relevant authority is the Greater London Authority,

the amount calculated for that authority in accordance with the formula—";

(b) in the definition of W, after paragraph (e), insert—

"(f) for the relevant year beginning on 1st April 2025, the sum of the amounts of relief awarded under section 47 of the 1988 Act by all the billing authorities required to make payments to the major precepting authority for the relevant year under Part 4 of Schedule 7B to the 1988 Act, where the relief has been awarded in accordance with the following guidance issued by the Secretary of State—

(i) "Business Rates Relief: 2023 Supporting Small Business Relief, local authority guidance" published on 21 December 2022(**a**),

(ii) "Business Rates Relief: 2025/26 Retail, Hospitality and Leisure Scheme" published on 16 January 2025(**b**);".

Amendment of Schedule 6

4. In Column E of the Table in Schedule 6 (Table of Authorities, Business Rates Baselines, Baseline Funding Levels and Values of A and Y), in the entry corresponding to North Northamptonshire, for "67.4%" substitute "67.8%".

(**a**) https://www.gov.uk/government/publications/business-rates-relief-2023-supporting-small-business-relief-local-authority-guidance/business-rates-relief-2023-supporting-small-business-relief-local-authority-guidance See also the Explanatory Note.

(**b**) https://www.gov.uk/guidance/business-rates-relief-202526-retail-hospitality-and-leisure-scheme See also the Explanatory Note.

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

Name
Minister of State
Ministry of Housing, Communities and Local Government

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Non-Domestic Rating (Levy and Safety Net) Regulations 2013 (S.I. 2013/737) ("the 2013 Regulations"). The 2013 Regulations are part of the system for the local retention of non-domestic rates established by Schedule 7B to the Local Government Finance Act 1988. They make provision for calculating whether the Secretary of State is required to make a safety net payment to a billing authority or a major precepting authority and whether such an authority is required to make a levy payment to the Secretary of State.

Schedule 1 to the 2013 Regulations prescribes how the retained rates income for each billing authority and major precepting authority is to be calculated for the purposes of levy and safety net calculations.

Regulation 3 of these Regulations amends Schedule 1 to the 2013 Regulations to provide, in relation to the financial year beginning on 1st April 2025, for the calculation of retained rates income for authorities in areas where 100% of business rates are retained locally, as well as the Greater London Authority.

In calculating its retained rates income for the financial year beginning on 1st April 2025, the amendments made to Schedule 1 by regulation 3 of these Regulations require an authority to include in its calculations amounts of rates relief awarded in accordance with guidance issued by the Secretary of State. Copies of the guidance are available online, as indicated in the footnotes to these Regulations. Hard copies of the guidance can be obtained free of charge by writing to the Ministry of Housing, Communities and Local Government, 2 Marsham Street, Westminster, London, SW1P 4DF.

Schedule 6 to the 2013 Regulations makes provision for the business rates baseline and baseline funding level (and other associated values for the calculation of retained rates income) for the financial year beginning on 1st April 2021 in respect of new local authorities established on that date.

Regulation 4 of these Regulations amends Schedule 6 to the 2013 Regulations to correct an error contained in the Non-Domestic Rating (Levy and Safety Net) (Amendment) Regulations 2022 ("the 2022 Regulations") in respect of the retained rates income calculations for North Northamptonshire. These Regulations are therefore being issued free of charge to known recipients of the 2022 Regulations.

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.

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ISBN 978-0-34-826851-5

£5.78

http://www.legislation.gov.uk/id/ukdsi/2025/9780348268515

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