STATUTORY INSTRUMENTS

2017 No. 102

RATING AND VALUATION, ENGLAND

The Non-Domestic Rating (Reliefs, Thresholds and Amendment) (England) Order 2017

Made - - - -	*6th February 2017*
Laid before Parliament	*8th February 2017*
Coming into force - -	*3rd March 2017*

The Secretary of State, in exercise of the powers conferred by sections 43(4B)(a), 44(9)(a), 45(l)(d), (9) and (10), 143(l) and (2), 146(6) of, and paragraph 2A(2)(a) of Schedule 6 to, the Local Government Finance Act 1988(**a**), makes the following Order:

Citation, application and commencement

1.—(1) This Order, which applies in relation to England only, may be cited as the Non-Domestic Rating (Reliefs, Thresholds and Amendment) (England) Order 2017 and comes into force on 3rd March 2017.

(2) Articles 2 and 3 of this Order apply for the purposes of—

(a) determining whether section 43(4B) of the Act (occupied hereditaments: liability) applies as regards a ratepayer and a hereditament, and

(b) calculating the chargeable amount for a chargeable day under section 43(4A)(a) of the Act,

in respect of chargeable days falling on or after 1st April 2017.

(3) In this Order, "the Act" means the Local Government Finance Act 1988.

Conditions for relief

2. For the purpose of section 43(4B)(a)(ii) of the Act, the condition to be satisfied is that the rateable value of the hereditament as shown in the local non-domestic rating list for the chargeable day is not more than £50,999.

Amount of E

3.—(1) The amount of E prescribed for the purposes of subsection 44(9)(a) of the Act (occupied hereditaments: supplementary) shall be found in accordance with paragraphs (2) to (8).

(**a**) 1988, c.41. Sections 43(4A) to (4D) and 44(7) to (9) were inserted by section 61 of the Local Government Act 2003 (c.26). Subsections (4B) to (4D) of section 43 were amended by section 70 of the Localism Act 2011 (c.20). Section 44 has been amended by sections 139 and 194 of, and Schedule 5 to, the Local Government and Housing Act 1989 (c.42) and section 117 of, and Schedule 13 to, the Local Government Finance Act 1992 (c.14).

(2) Where the ratepayer occupies only one hereditament in England and the rateable value of that hereditament shown in the local non-domestic rating list for the chargeable day concerned is not more than £12,000, E shall be 5,000,000.

(3) Where the ratepayer occupies only one hereditament in England and the rateable value of that hereditament shown in the local non-domestic rating list for the chargeable day concerned is more than £12,000 and not more than £15,000, E shall be (subject to paragraph (5)) the amount derived from dividing 3000 by the figure reached by subtracting 12000 from the rateable value of the hereditament shown in the local non-domestic rating list for that day.

(4) In any case not falling within paragraph (2) or (3), E shall be 1.

(5) Amounts calculated under paragraph (3), shall be calculated to three decimal places only—

(a) adding one thousandth where (apart from this sub-paragraph) there would be more than five ten-thousandths; and

(b) ignoring the ten-thousandths where (apart from this sub-paragraph) there would be five, or less than five, ten-thousandths.

(6) In determining, for the purposes of paragraphs (2) or (3), whether the ratepayer occupies only one hereditament in England ("hereditament A"), the ratepayer's occupation of any other hereditament in England ("hereditament B") shall be disregarded where the conditions in either paragraph (7) or (8) are satisfied.

(7) The conditions are—

(a) the ratepayer's occupation of hereditament B started on a date after that ratepayer started to occupy hereditament A;

(b) on the chargeable day concerned, the ratepayer has occupied hereditament B for a period not exceeding 12 months; and

(c) the amount of E for the chargeable day concerned in relation to hereditament B is not determined in accordance with paragraph (2) or (3) of this article.

(8) The conditions are—

(a) the rateable value of hereditament B shown in the local non-domestic rating list for the chargeable day concerned is not more than £2,899;

(b) the aggregate rateable value on the chargeable day concerned of all the hereditaments the ratepayer occupies in England (but excluding any hereditament B that falls within paragraph (7)) is not more than—

(i) for a hereditament situated in Greater London, £27,999;

(ii) for a hereditament situated outside Greater London, £19,999; and

(c) the amount of E for the chargeable day concerned in relation to hereditament B is not determined in accordance with paragraph (2) of this article.

Amendment of the Non-Domestic Rating (Unoccupied Property) (England) Regulations 2008

4.—(1) The Non-Domestic Rating (Unoccupied Property) (England) Regulations 2008(**a**) are amended in accordance with paragraph (2).

(2) For regulation 4(g) (hereditaments not prescribed for the purposes of section 45(1)(d) of the Act) substitute—

"(g) whose rateable value is less than—

(i) in relation to the financial year beginning on 1st April 2008, £2,200;

(ii) in relation to the financial year beginning on 1st April 2009, £15,000;

(iii) in relation to the financial year beginning on 1st April 2010, £18,000;

(**a**) S.I. 2008/386, amended by S.I. 2009/353, S.I. 2010/408 and S.I. 2015/1641.

(iv) in relation to the financial years beginning on 1st April 2011, 1st April 2012, 1st April 2013, 1st April 2014, 1st April 2015 and 1st April 2016, £2,600;

(v) in relation to financial years beginning on or after 1st April 2017, £2,900."

Amendment of the Non-Domestic Rating (Stud Farms) (England) Order 2009

5.—(1) The Non-Domestic Rating (Stud Farms) (England) Order 2009(**a**) is amended in accordance with paragraph (2).

(2) For article 2 (specified amount – deduction in rateable value) substitute—

"**2.** The amount specified for the purposes of paragraph 2A of Schedule 6 to the Local Government Finance Act 1988 (deductions from valuation of hereditaments used for breeding horses, etc) is—

(a) in respect of the rateable value of any hereditament shown in a non-domestic rating list compiled on 1st April 2010, £4,200;

(b) in respect of the rateable value of any hereditament shown in a non-domestic rating list compiled on or after 1st April 2017, £4,700."

Revocations

6.—(1) Subject to paragraph (2), the Non-Domestic Rating (Small Business Rate Relief) (England) Order 2012(**b**) is revoked.

(2) The Non-Domestic Rating (Small Business Rate Relief) (England) Order 2012 shall continue to have effect in respect of chargeable days falling before 1st April 2017.

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

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

6th February 2017

EXPLANATORY NOTE

(This note is not part of the Order)

Article 1 provides that articles 2 and 3 of this Order has effect for the purposes of determining eligibility for, and calculating the amount of, small business rate relief in respect of days falling on or after 1st April 2017. The Non-Domestic Rating (Small Business Rate Relief) (England) Order 2012 (S.I. 2012/148) (as amended) is revoked by article 6 of this Order but will continue to have effect in relation to chargeable days falling prior to 1st April 2017.

Article 2 of this Order, together with section 43(4B) of the Local Government Finance Act 1988 ("the 1988 Act"), provides that the condition to be satisfied to obtain small business rate relief is that the hereditament must have a rateable value which is not more than £50,999.

Article 3 prescribes the amount of E under section 44(9)(a) of the 1988 Act, which determines the amount of relief to be given to a particular hereditament under the formula in section 43(4A)(a) of the 1988 Act.

Small business rate relief has two elements. Firstly, all hereditaments which satisfy the condition in article 2 will have their rates liability under section 43 of the 1988 Act calculated using the lower small business domestic rate multiplier (determined under Schedule 7 to the 1988 Act, as

(**a**) S.I. 2009/3177
(**b**) S.I. 2012/148, amended by S.I. 2013/15, S.I. 2014/43, S.I. 2015/106 and S.I. 2016/143.

amended by the Local Government Act 2003) instead of the standard non-domestic rate multiplier. Secondly, a hereditament which satisfies the condition in article 2, is the sole property occupied by the ratepayer concerned (subject to the provision on hereditaments to be disregarded for these purposes in article 3(6)), and which has a maximum rateable value of £15,000 will, in addition, benefit from a percentage reduction in its rates liability for up to 100%.

Article 4 amends regulation 4(g) of the Non-Domestic Rating (Unoccupied Property) (England) Regulations 2008 to raise the level of the threshold below which a ratepayer shall not be liable to pay rates in respect of an unoccupied property from a rateable value of £2,600 to a rateable value of £2,900.

Article 5 amends article 2 of the Non-Domestic Rating (Stud Farms) (England) Order 2009 to increase the amount of the rateable value deduction for stud farms from £4,200 to £4,700.

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 978-0-11-115396-3

£4.25

UK201702064 02/2017 19585

http://www.legislation.gov.uk/id/uksi/2017/102

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