100% Business Rates Retention Pilot Agreement

This agreement sets out the terms by which the local authorities listed at **Annex A** will pilot 100% business rates retention.

This agreement comes into effect from 1 April 2018 and expires on 31 March 2019.

From 1 April 2018 the XXX authorities will retain [100]% of their non-domestic rating income[[1]](#footnote-1). They will also receive section 31 grants in respect of Government changes to the business rates system. Section 31 grant will amount to [100]% of the value of the lost income. Tariffs and top-ups will be adjusted to ensure cost neutrality. In moving to 100% rates retention:

* The Department for Communities and Local Government will no longer pay Revenue Support Grant to the XXX authorities;
* The Department for Communities and Local Government will not pay Rural Services Delivery Grant funding to the XXX Authorities in 2018/19. The XXX Authorities will not be subject to more onerous rules or constraints under the 100% rates retention pilot, than they would have been if they had remained subject to the 50% scheme.

The value of these grants in 2018/19 is set out in **Annex B**.

Business rate shares; tariffs and top ups and baseline funding levels for 2018/19 for the XXX authorities are set out in **Annex C**.

Levy and safety net payments due from/to XXX authorities, or any pool of which they are members, will be calculated, in accordance with the Non-Domestic Rating (Levy and Safety Net) Regulations 2013 (SI 2013/737) (as amended), as if the XXX authorities were not 100% pilots, but instead were operating under the 50% rates retention scheme.

However, notwithstanding the calculation of levy and safety net payments under the Regulations, the Government will calculate levy and safety net payments due from/to individual XXX authorities on the basis of their “retained income” as 100% pilot authorities and on the basis that each authority had a “zero” levy rate and “safety net threshold” of 97%. Any safety net payment due as a result of these calculations will be paid via a section 31 grant.

The Government is committed to work with the XXX authorities to develop and deepen the pilot for 2018/19 in line with the ambitions of the authorities.

Annex A

**Authorities in XXX Pilot**

Authority A

Authority B

Authority C

Authority D

Authority E

Authority F

Annex B

**Grants**

The amount of grant to be ‘rolled-in’ to 99% rates retention for 2018/19 is:

Revenue Support Grant (RSG) will go to each constituent authority.

|  |  |
| --- | --- |
| **RSG** | **Amount (£m) for 2018/19** |
| Authority A | XXX |
| Authority B | XXX |
| Authority C | XXX |
| Authority D | XXX |
| Authority E | XXX |
| Authority F | XXX |

Rural Services Delivery Grant (RSDG) will go to each constituent authority.

|  |  |
| --- | --- |
| **RSDG** | **Amount (£m) for 2018/19** |
| Authority A | XXX |
| Authority B | XXX |
| Authority C | XXX |
| Authority D | XXX |
| Authority E | XXX |
| Authority F | XXX |

Annex C

**Baseline Funding Level**

|  |  |
| --- | --- |
| **Authority** | **Amount (£m) for 2018/19** |
| Authority A | XXX |
| Authority B | XXX |
| Authority C | XXX |
| Authority D | XXX |
| Authority E | XXX |
| Authority F | XXX |

**Tariffs and Top Ups**

|  |  |
| --- | --- |
| **Authority** | **Amount (£m) for 2018/19****Top-up (+ve) or Tariff (-ve)** |
| Authority A | XXX |
| Authority B | XXX |
| Authority C | XXX |
| Authority D | XXX |
| Authority E | XXX |
| Authority F | XXX |

**Business Rate Share**

|  |  |
| --- | --- |
| **Authority** | **Amount (£m) for 2018/19** |
| Authority A | XXX |
| Authority B | XXX |
| Authority C | XXX |
| Authority D | XXX |
| Authority E | XXX |
| Authority F | XXX |

1. As defined in the Non-Domestic Rating (Rates Retention) Regulations 2013 (SI2013/452) (as amended). [↑](#footnote-ref-1)