

POLICY DEVELOPMENT: NOT A STATEMENT OF GOVERNMENT POLICY

**100% Business Rates Retention
Systems Design Working Group: 26th November 2016**

Legislation: Discussion Paper

Element	Under 100% Business Rates Retention	Legislative Provision	Issues for Further Consideration
Central Share	Under 100% rates retention there will be no central share	Remove existing provisions in primary legislation	
Safety Net	Will retain ability to provide safety net to authorities	Provision already exists for making safety net payments in primary legislation.	Detail about how the safety net will operate to be set out in secondary legislation. Further detail to be set out in a future consultation
Levy	There will be no levy payments	Remove existing provisions from primary legislation	Decision needed on how to fund a safety net
Government Accounting System	Retain a ratings account to maintain transparency	Amend primary legislation to collapse two accounts into one	
EZs/Designated Areas	Continue to allow Las to benefit – continue to keep EZs outside rates retention system	Covered in current legislation	
Tariffs and Top-Ups	Continue to redistribute business rates income via tariffs and top-ups	Primary legislation already exists	Detail is set out as part of the settlement process
Appeal Risk	Exploring options for centrally compensating local authorities. Modelling different approaches.	New primary legislation	Local Government sector have highlighted concerns on the performance of the VOA. Further detail on a new proposal for

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			managing appeals to be set out in a future consultation
Central List:	Streamlining the process of moving properties to central list	No primary legislation	The changes proposed do not currently take into account the implications of movement between lists for LAs
Tier Splits	Billing authorities to pay a percentage of business rates to major precepting authorities	Primary legislation exists that requires this.	Tier splits are defined in secondary legislation. Further detail to be set out in a future consultation

Detailed scheme design (eg level of safety net, tier split percentages, resets) is currently not set out in primary legislation. Instead this detail is covered by secondary legislation or exists outside the legislative process (eg set out in the settlement process).