

2006 No. 3395

**COUNCIL TAX, ENGLAND**

**RATING AND VALUATION, ENGLAND**

**The Council Tax and Non-Domestic Rating (Amendment)  
(England) Regulations 2006**

<i>Made</i>	- - - -	<i>18th December 2006</i>
<i>Laid before Parliament</i>		<i>21st December 2006</i>
<i>Coming into force</i>	- -	<i>31st January 2007</i>

The Secretary of State, in exercise of the powers conferred by—

- (a) sections 143(1) and (2) of, and paragraphs 1, 2(2)(ga) and 3(2) of Schedule 9 to, the Local Government Finance Act 1988(a); and
- (b) sections 24(7)(a) and 41(3) of, paragraph 9 of Schedule 1 to, paragraphs 2(4)(e) and (j) and 21(3) of Schedule 2 to, and paragraphs 5(2)(e), 7(2)(b) and 8(2)(b) of Schedule 4 to, the Local Government Finance Act 1992(b);

makes the following Regulations:

**Citation, commencement and application**

1.—(1) These Regulations—

- (a) may be cited as the Council Tax and Non-Domestic Rating (Amendment) (England) Regulations 2007, and
- (b) come into force on 31st January 2007.

(2) These Regulations apply in relation to—

- (a) billing authorities in England, and
- (b) financial years beginning on or after 1st April 2007.

(3) Regulation 5(2) does not apply in relation to an attachment of earnings order made before 1st April 2007.

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(a) 1988 c.41. These powers are devolved, in relation to Wales, to the National Assembly for Wales by the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672); see the reference to the Local Government Finance Act 1988 in Schedule 1. Paragraph 2(2)(ga) of Schedule 9 was inserted by paragraph 44 of Schedule 5 to the Local Government and Housing Act 1989 (c.42).

(b) 1992 c.14. These powers are devolved, in relation to Wales, to the National Assembly for Wales by the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672); see the reference to the Local Government Finance Act 1992 in Schedule 1. Paragraph 21 of Schedule 2 was inserted by paragraph 53(3) of Schedule 7 to the Local Government Act 2003 (c.26).

### **Amendment of the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989**

2.—(1) The Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989(a) are amended as follows.

(2) In Schedule 3 (charges connected with distress)—

(a) in column (2) of the Table in paragraph 1—

- (i) in the row corresponding to head A(i) of column (1), for “£22.50” substitute “£24.50”,
- (ii) in the row corresponding to head A(ii) of column (1), for “£16.50” substitute “£18.00”,
- (iii) in the row corresponding to head E(i) of column (1), for “£14.00” substitute “£15.00”,
- (iv) in the row corresponding to head E(ii) of column (1), for “£11.00” substitute “£12.00”, and
- (v) in the row corresponding to head H(i) of column (1), for “£22.50” substitute “£24.50”;

(b) in paragraph 2(1)(a), for “£22.50” substitute “£24.50”.

(3) In Schedule 4 (costs connected with committal), in column (2) of the Table—

- (a) in the first and second rows, for “£55.00” substitute “£85.00”, and
- (b) in the third row, for “£70.00” substitute “£105.00”.

### **Amendment of the Billing Authorities (Anticipation of Precepts) Regulations 1992**

3.—(1) The Billing Authorities (Anticipation of Precepts) Regulations 1992(b) are amended as follows.

(2) In regulation 2(4) (anticipation of precepts)—

- (i) for “Department of Employment” substitute “Office for National Statistics”, and
- (ii) at the end for “Department” substitute “Office”.

### **Amendment of the Council Tax (Additional Provisions for Discount Disregards) Regulations 1992**

4.—(1) The Schedule to the Council Tax (Additional Provisions for Discount Disregards) Regulations 1992(c) is amended as follows.

(2) In paragraph 1(c), for “£36” substitute “£44”.

### **Amendment of the Council Tax (Administration and Enforcement) Regulations 1992**

5.—(1) The Council Tax (Administration and Enforcement) Regulations 1992(d) are amended as follows.

(2) In Schedule 4 (deductions to be made under attachment of earnings order)—

(a) in Table A (deductions from weekly earnings)—

- (i) in the first and second rows of column (1), for “£55” substitute “£75”,
- (ii) in the second and third rows of column (1), for “£100” substitute “£135”,
- (iii) in the third and fourth rows of column (1), for “£135” substitute “£185”,

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(a) S.I. 1989/1058; relevant amending instruments are S.I. 1993/774, 1998/3089 and 2003/2210.

(b) S.I. 1992/3239, amended by S.I. 1995/235.

(c) S.I. 1992/552, amended by S.I. 1998/294; there are other amending instruments but none are relevant.

(d) S.I. 1992/613; relevant amending instruments are S.I. 1993/773, 1994/505, 1998/295 and 2003/2211.

- (iv) in fourth and fifth rows of column (1), for “£165” substitute “£225”,
  - (v) in the fifth and sixth rows of column (1), for “£260” substitute “£335”, and
  - (vi) in the sixth and seventh rows of column (1) and the seventh row of column (2), for “£370” substitute “£505”;
- (b) in Table B (deductions from monthly earnings)—
- (i) in the first and second rows of column (1), for “£220” substitute “£300”,
  - (ii) in the second and third rows of column (1), for “£400” substitute “£550”,
  - (iii) in the third and fourth rows of column (1), for “£540” substitute “£740”,
  - (iv) in fourth and fifth rows of column (1), for “£660” substitute “£900”,
  - (v) in the fifth and sixth rows of column (1), for “£1,040” substitute “£1,420”, and
  - (vi) in the sixth and seventh rows of column (1) and the seventh row of column (2), for “£1,480” substitute “£2,020”;
- (c) in Table C (deductions from daily earnings)—
- (i) in the first and second rows of column (1), for “£8” substitute “£11”,
  - (ii) in the second and third rows of column (1), for “£15” substitute “£20”,
  - (iii) in the third and fourth rows of column (1), for “£20” substitute “£27”,
  - (iv) in fourth and fifth rows of column (1), for “£24” substitute “£33”,
  - (v) in the fifth and sixth rows of column (1), for “£38” substitute “£52”, and
  - (vi) in the sixth and seventh rows of column (1) and the seventh row of column (2), for “£53” substitute “£72”.
- (3) In Schedule 5 (charges connected with distress)—
- (a) in column (2) of the Table in paragraph 1—
- (i) in the row corresponding to head A(i) of column (1), for “£22.50” substitute “£24.50”,
  - (ii) in the row corresponding to head A(ii) of column (1), for “£16.50” substitute “£18.00”,
  - (iii) in the row corresponding to head E(i) of column (1), for “£14.00” substitute “£15.00”,
  - (iv) in the row corresponding to head E(ii) of column (1), for “£11.00” substitute “£12.00”, and
  - (v) in the row corresponding to head H(i) of column (1), for “£22.50” substitute “£24.50”;
- (b) in paragraph 2(1)(a), for “£22.50” substitute “£24.50”.
- (4) In Schedule 6 (costs connected with committal), column (2) of the Table is amended as follows—
- (a) in the first and second rows, for “£55.00” substitute “£85.00”, and
  - (b) in the third row, for “£70.00” substitute “£105.00”.

### **Amendment of the Council Tax (Alteration of Lists and Appeals) Regulations 1993**

6.—(1) Regulation 14 (day from which alteration has effect) of the Council Tax (Alteration of Lists and Appeals) Regulations 1993(a) is amended as follows.

(2) In paragraph (2), for the words from “relevant” to the end of the paragraph substitute “alteration is entered in the list”.

(3) After paragraph (5), insert—

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(a) S.I. 1993/290, amended by S.I. 1994/1746; there are other amending instruments but none are relevant.

“(5A) Subject to regulation 4(1A), where an alteration—

- (a) is made to correct an inaccuracy in a list; and
- (b) the inaccuracy was to show as one dwelling property which should have been treated as two or more dwellings by virtue of article 3 of the Council Tax (Chargeable Dwellings) Order 1992<sup>(a)</sup>;

the alteration shall have effect from the day on which the alteration is entered in the list.”

(4) For paragraph (6)(a) substitute—

“(a) in a case where the inaccuracy was to show as applicable to a dwelling a valuation band which is lower than the band which should have been determined or shown as applicable to it, from the day on which the alteration is entered in the list; and”

(5) For paragraph (7) substitute—

“(7) Subject to regulation 4(1A), where an alteration—

- (a) is made to correct an inaccuracy in a list (other than an alteration which falls to have effect as provided in the foregoing provisions of this regulation); and
- (b) the inaccuracy arose in the course of making a previous alteration and was to show as applicable to a dwelling a valuation band which is lower than the band which should have been determined or shown as applicable to it;

the alteration shall have effect from the day on which the alteration is entered in the list.”

### **Amendment of the Council Tax and Non-Domestic Rating (Demand Notices) (England) Regulations 2003**

7.—(1) The Council Tax and Non-Domestic Rating (Demand Notices) (England) Regulations 2003<sup>(b)</sup> are amended as follows.

(2) In regulation 1(2) for the definition of “combined fire authority” substitute—

““combined authority” means a combined fire and rescue authority constituted by a scheme—

- (a) under section 2 of the Fire and Rescue Services Act 2004<sup>(c)</sup>, or
- (b) to which section 4 of that Act applies;”

(3) In Schedule 1 (matters to be contained in council tax demand notices)—

(a) for paragraph 8A substitute—

“**8A.**—(1) This paragraph applies to a billing authority in relation to a financial year if—

- (a) on 1st April in that financial year a combined authority carries out any functions in relation to any part of the billing authority’s area (“the relevant functions”), and
- (a) the combined authority did not carry out the relevant functions on 1st April in the preceding financial year.

(2) Where—

- (a) the billing authority carried out the relevant functions on 1st April in the preceding financial year, and
- (b) a statement is given under paragraph 6(2)(b),  
a footnote to the statement saying—

“The figures comparing the amount of council tax calculated by [insert name of the billing authority] for your dwelling for this financial year and the previous financial year are not direct comparisons. The reason for this is that functions which were previously exercised

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(a) S.I. 1992/549, amended by S.I. 2003/3121; there is another amending instrument but it is not relevant.  
(b) S.I. 2003/2613, relevant amending instruments are S.I. 2003/3081, S.I. 2004/3389 and 2006/492.  
(c) 2004 c.21.

by [insert name of the billing authority] are now exercised by [insert name of the combined authority] and for the first time [insert name of the combined authority] has issued a precept in respect of those functions. That precept is shown separately on your bill.”.

(3) Where—

- (a) the billing authority carried out the relevant functions on 1st April in the preceding financial year, and
- (b) a statement is given under paragraph 6(3),  
a footnote to the statement given under paragraph 6(3)(b) saying—

“The figures comparing the amount of council tax calculated by [insert name of the billing authority] less any local precepts for your dwelling for this financial year and the previous financial year are not direct comparisons. The reason for this is that functions which were previously exercised by [insert name of the billing authority] are now exercised by [insert name of the combined authority] and for the first time [insert name of the combined authority] has issued a precept in respect of those functions. That precept is shown separately on your bill.”.

(4) Where—

- (a) an authority other than the billing authority carried out the relevant functions on 1st April in the preceding financial year, and
- (b) a statement is made under paragraph 6(2)(c) in respect of the other authority,  
a footnote to the statement saying—

“The figures comparing the amount of council tax calculated by [insert name of the other authority] for your dwelling for this financial year and the previous financial year are not direct comparisons. The reason for this is that functions which were previously exercised by [insert name of the other authority] are now exercised by [insert name of the combined authority] and for the first time [insert name of the combined authority] has issued a precept in respect of those functions. That precept is shown separately on your bill.”.

(5) Where—

- (a) an authority other than the billing authority carried out the relevant functions on 1st April in the preceding financial year, and
- (b) a statement is not made under paragraph 6(2)(c) in respect of the other authority,  
a footnote to the statement given under paragraph 6(2)(c) in respect of the combined authority saying—

“No comparison is given of the amount of council tax calculated by [insert name of the combined authority] for your dwelling for this financial year and the previous financial year. The reason for this is that functions which were previously exercised by [insert name of the other authority] are now exercised by [insert name of the combined authority] and for the first time [insert name of the combined authority] has issued a precept in respect of those functions. That precept is shown separately on your bill. The precept issued by [insert name of the other authority] in relation to the previous financial year was [insert the amount of that precept]”.

- (b) in paragraph 10(1)(c) and paragraph 10(2)(c), for “a penalty of £50” substitute “the penalty which is specified in paragraph 1(2) of Schedule 3 to the Act”.

(4) In Schedule 2 (matters to be contained in rate demand notices)—

- (a) in paragraph 6 of Part 1, for “Subject to paragraph 7, explanatory notes in the following terms” substitute “Explanatory notes in the following terms”;
- (b) in the explanatory notes in that paragraph—
  - (i) in the text beginning with the heading “Non-Domestic Rates”, for “according to the number of people living in the area” substitute “as part of the annual formula grant settlement”;

(ii) for the text beginning with the heading “Small Business Rate Relief” substitute—

**“Small Business Rate Relief**

This relief is only available to ratepayers who apply to their local authority and who occupy either—

- (a) one property, or
- (b) one main property and other additional properties providing those additional properties each have a rateable value of less than £2,200.

The rateable value of the property mentioned in (a), or the aggregate rateable value of all properties mentioned in (b), must be under £15,000 outside London or £21,500 within London, including on 1st April each year.

Ratepayers who satisfy these conditions will have the bill for their single or main property calculated using the lower small business non-domestic rating multiplier rather than the ordinary non-domestic rating multiplier that is used to calculate the liability of other businesses.

In addition, if the single or main property is shown on the rating list with a rateable value of up to £10,000, the ratepayer will receive a percentage reduction in their rates bill for this property of up to a maximum of 50% for a property with a rateable value of not more than £5,000.

If an application for relief is granted, provided the ratepayer’s circumstances do not change, the application will not need to be renewed until the next revaluation of non-domestic premises, which happens every five years. Certain changes in circumstances will need to be notified to the local authority by the ratepayer (other changes will be picked up by the local authority). The changes which must be notified are—

- (a) the ratepayer taking up occupation of a property they did not occupy at the time of making their application for relief; and
- (b) an increase in the rateable value of a property occupied by the ratepayer in an area other than the area of the local authority which granted the relief.

Notification of these changes must be given to the local authority within 4 weeks of the day after the day the change happened. If this happens, there will be no interruption to the ratepayer’s entitlement to the relief. However, failure to notify the authority within this timeframe will mean the ratepayer ceases to be entitled to the relief with effect from the day that the change happened. If they are still eligible, the ratepayer will be entitled to the relief again with effect from the day that they notify the local authority. A notification that the ratepayer has taken up occupation of an additional property must be by way of a fresh application for relief; notice of an increase in rateable value must be given in writing.

Full details on the eligibility criteria and on how to apply for this relief are available from the local authority.”, and

- (iii) omit the text beginning with the heading “Former Agricultural Premises Relief”;
- (c) omit paragraph 7 of Part 1;
- (d) in paragraph (b) of Part 2, for the text beginning with the heading “Rate relief for businesses in rural areas” substitute—

**““Rate relief for businesses in rural areas**

Certain types of properties in a rural settlement with a population below 3,000 may be entitled to relief. The property must be the only general store, the only post office or a food shop and have a rateable value of less than £7,000, or the only public house or the only petrol station and have a rateable value of less than £10,500. The property has to be

occupied. An eligible ratepayer is entitled to relief at 50% of the full charge whilst the local authority also has discretion to give further relief on the remaining bill.

In addition, the local authority can give relief on certain other occupied property in a rural settlement where the rateable value is less than £14,000.

Full details can be obtained from the local authority.””;

- (e) in paragraph 3 of Part 3, for “Subject to paragraph 4, explanatory notes in the following terms” substitute “Explanatory notes in the following terms”;
- (f) in the explanatory notes in that paragraph—
  - (i) in the text beginning with the heading “Non-Domestic Rates”, for the words “according to the number of people living in the area” substitute “as part of the annual formula grant settlement”,
  - (ii) for the text beginning with the heading “Small Business Rate Relief” substitute—

### **“Small Business Rate Relief**

This relief is only available to ratepayers who apply to their local authority and who occupy either—

- (a) one property, or
- (b) one main property and other additional properties providing those additional properties each have a rateable value of less than £2,200.

The rateable value of the property mentioned in (a), or the aggregate rateable value of all properties mentioned in (b), must be under £15,000 outside London or £21,500 within London, including on 1st April each year.

Ratepayers who satisfy these conditions will have the bill for their single or main property calculated using the lower small business non-domestic rating multiplier rather than the ordinary non-domestic rating multiplier that is used to calculate the liability of other businesses.

In addition, if the single or main property is shown on the rating list with a rateable value of up to £10,000, the ratepayer will receive a percentage reduction in their rates bill for this property of up to a maximum of 50% for a property with a rateable value of not more than £5,000.

If an application for relief is granted, provided the ratepayer’s circumstances do not change, the application will not need to be renewed until the next revaluation of non-domestic premises, which happens every five years. Certain changes in circumstances will need to be notified to the local authority by the ratepayer (other changes will be picked up by the local authority). The changes which must be notified are—

- (a) the ratepayer taking up occupation of a property they did not occupy at the time of making their application for relief; and
- (b) an increase in the rateable value of a property occupied by the ratepayer in an area other than the area of the local authority which granted the relief.

Notification of these changes must be given to the local authority within 4 weeks of the day after the day the change happened. If this happens, there will be no interruption to the ratepayer’s entitlement to the relief. However, failure to notify the authority within this timeframe will mean the ratepayer ceases to be entitled to the relief with effect from the day that the change happened. If they are still eligible, the ratepayer will be entitled to the relief again with effect from the day that they notify the local authority. A notification that the ratepayer has taken up occupation of an additional property must be by way of a fresh application for relief; notice of an increase in rateable value must be given in writing.

Full details on the eligibility criteria and on how to apply for this relief are available from the local authority.”, and

- (iii) omit the text beginning with the heading “Former Agricultural Premises Relief”; and
- (g) omit paragraph 4 of Part 3.

(5) In paragraph 4 of Part 3 (interpretation etc.) of Schedule 3 (information to be supplied with notices)—

- (a) in paragraph (a) of the definition of “relevant precepting authority”, omit “a parish council,”; and
- (b) after paragraph (a) of that definition, insert—
  - “(aa) a parish council unless—
  - (i) the amount of the precept in question is £140,000 or more, and
  - (ii) any part of the dwelling to which the notice relates is within the area of the parish council,”.

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

*Phil Woolas*  
Minister of State

18th December 2006

Department for Communities and Local Government



## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations make amendments to a number of Regulations concerning council tax and non-domestic rating. They come into force on 31st January 2007, and apply in relation to billing authorities in England and financial years beginning on or after 1st April 2007. The amendments in regulation 5(2), which concern attachment of earnings orders, do not apply to orders made before 1st April 2007 (regulation 1).

Regulation 2 makes amendments to the Tables in Schedules 3 and 4 to the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989. The Tables concern charges connected with distress and costs connected with committal. Those charges and costs are increased in line with inflation over the period since the Regulations were last updated.

Regulation 3 makes a minor amendment to the Billing Authorities (Anticipation of Precepts) Regulations 1992.

Regulation 4 makes an amendment to paragraph 1 of the Schedule to the Council Tax (Additional Provisions for Discount Disregards) Regulations 1992. Regulation 2 of those Regulations prescribes conditions which must be met by care workers in order to be disregarded for the purposes of council tax discounts under section 11 of the Local Government Finance Act 1992. One of the conditions is that the care worker is in receipt under his engagement or employment of not more than £36 a week. This amount is increased to £44 in line with inflation over the period since the Regulations were last updated.

Regulation 5 makes amendments to the Tables in Schedules 4 to 6 to the Council Tax (Administration and Enforcement) Regulations 1992. The Tables concern deductions to be made under attachments of earnings orders, charges connected with distress and costs connected with committal. The charges and costs are increased in line with inflation and increases in court fees over the period since the Regulations were last updated. In relation to the deductions, the Tables in Schedule 4 specify amounts which must be deducted from a person's net earnings by reference to specified levels of that person's net earnings. Those levels have been increased in line with changes in the average earnings index over the period since the Regulations were last updated.

Regulation 6 amends the Council Tax (Alteration of Lists and Appeals) Regulations 1993 so that particular types of alteration take effect on the day they are entered in the list. These are - (a) alterations to reflect a material increase in the value of a dwelling, and (b) alterations to correct an inaccuracy which shows as one dwelling property which should have been treated as two or more dwellings by virtue of the Council Tax (Chargeable Dwellings) Order 1992.

Regulation 7 makes amendments to the Council Tax and Non-Domestic Rating (Demand Notices) (England) Regulations 2003. These include the following—

- (a) New information must be included in council tax demand notices where a combined fire and rescue authority has been created and the demand notice concerns the financial year when the combined authority first exercises its functions (regulation 7(2) and (3)(a)).
- (b) Revised explanatory information concerning small business rate relief (following amendments to the application process for that relief) and rate relief for businesses in rural areas (so that the explanatory information is clearer on the criteria for entitlement to that relief) must be included in non-domestic rates demand notices where relevant. Information on the former agricultural premises rate relief is omitted following the coming to an end of that relief (regulation 7(4)).
- (c) Information about a parish council's budget requirement must be included in a council tax demand notice if the budget requirement is £140,000 or more and the dwelling to which the notice relates is within the parish council's area (regulation 7(5)).

A full regulatory impact assessment has not been produced for this instrument, as it has no impact on the costs of businesses, charities or voluntary bodies; neither does it have significant financial impact on any public bodies.



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**RATING AND VALUATION, ENGLAND**

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