

EXPLANATORY MEMORANDUM TO
THE COUNCIL TAX AND NON-DOMESTIC RATING (DEMAND NOTICES)
(ENGLAND) (AMENDMENT) REGULATIONS 2013

2013 No. 694

1. This explanatory memorandum has been prepared by Department for Communities and Local Government and is laid before Parliament.

2. Purpose of the instrument

2.1 These Regulations amend the Council Tax and Non-Domestic Rating (Demand Notices) (England) Regulations 2003. The 2003 Regulations make provision in relation to the content of non-domestic rating demand notices (and council tax demand notices for years commencing before 1st April 2010). These Regulations update the explanatory notes which must be provided with demand notices under the 2003 Regulations.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Context

4.1 Schedule 2 to the 2003 Regulations sets out the matters which must be included in a non-domestic rating demand notice (“rates bills”). Part 1 of that Schedule applies to a demand notice sent by a billing authority other than a rural settlement authority (to which Part 2 of Schedule 2 applies) and a special authority (to which Part 3 of Schedule 2 applies). The term “special authority” is defined in section 144(6) of the Local Government Finance Act 1988 (“the 1988 Act”). The term “rural settlement authority” is defined in the 2003 Regulations as a billing authority which has, in respect of the relevant year, identified one or more rural settlements for that year in a list compiled under section 42A(2) of the 1988 Act. The explanatory notes which are required by each Part give the recipient of a demand notice information about non-domestic rates and the reliefs that are available.

4.2 To ensure rates bills contain up-to-date information, the 2013 Regulations amend Schedule 2 to the 2003 Regulations to reflect changes to non-domestic rating which are to have effect for financial years commencing on or after 1st April 2013. In particular, the commencement of the rates retention scheme under the Local Government Finance Act 2012 and changes to small business rate relief and liability for unoccupied new builds.

5. Territorial Extent and Application

5.1 This instrument applies to England.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 The 2003 Regulations set out the information that is to be contained in rate bills to inform ratepayers of business rates policy so that they understand the policy and impact it may have on their rates bills.

7.2 There have been recent changes to business rates policy, and therefore the 2003 Regulations are being amended so that ratepayers have access to information that may affect their business rates liability and other information of which they may wish to be aware.

7.3 The main changes which have been reflected in these amendments are;

- the introduction from 1st April 2013 of the new business rates retention scheme which will allow authorities to keep a proportion of the business rates that they collect¹;
- the postponement of the next revaluation until 2017²;
- the continuation for a further year – 2013-14 – of the temporary increase in Small Business Rate Relief³; and
- the new temporary measure which will reduce the liability of unoccupied new builds which will start on 1st October 2013⁴.

8. Consultation outcome

8.1 There has been no consultation on these changes to the 2003 Regulations. The need to update the content of rates bills is purely as a result of other changes to policy on non-domestic rates which the Department consulted on as appropriate.

9. Guidance

9.1 No guidance is required on these Regulations. The provision of information alongside rates bills is an understood part of the business rates system.

¹ See Schedule 7B to the Local Government Finance Act 1988.

² See clause 25 of the Growth and Infrastructure Bill.

³ See S.I. 2013/15.

⁴ See paragraph 2.85 of Chapter 2 of the Autumn Statement 2012.

10. Impact

10.1 The 2013 Regulations update the information to be provided to ratepayers to ensure it is up to date following other legislative and policy changes. As such, there is no impact on business, charities or voluntary bodies as a result of the Regulations as foreseen.

10.2 The impact on the public sector is that billing authorities must amend the information they provide to ratepayers with their non-domestic rates bills. This is a usual aspect of the rating system.

10.3 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

11.1 The legislation does not regulate small business (although it does relate to the information that small businesses will receive with their rates bills).

12. Monitoring & review

12.1 The information provided for ratepayers will be reviewed in line with any future changes in policy that impact on liability for, or the collection of, business rates.

13. Contact

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Tel: 0303 444 2135 or email: david.mcdonald@communities.gsi.gov.uk can answer any queries regarding the instrument.