

EXPLANATORY MEMORANDUM TO
THE NON-DOMESTIC RATING (DEMAND NOTICES) (AMENDMENT)
(ENGLAND) REGULATIONS 2017

2017 No. 39

1. Introduction

- 1.1 This explanatory memorandum has been prepared by the Department for Communities and Local Government and is laid before Parliament by Command of Her Majesty.

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”) and the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989 (“the 1989 Regulations”). They remove provisions which allow for a single non-domestic rating demand notice to cover different financial years and amend the existing requirement for explanatory notes to be included with rate demand notices (to instead provide that they are required to be published online). The Regulations also update the information that must be included in explanatory notes.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 None.

Other matters of interest to the House of Commons

- 3.2 This entire instrument applies only to England.
- 3.3 As this instrument is subject to negative resolution procedure and has not been prayed against, consideration as to whether there are other matters of interest to the House of Commons does not arise at this stage.

4. Legislative Context

- 4.1 These Regulations are made under powers contained in the Local Government Finance Act 1988 and the Business Rate Supplements Act 2009 in relation to the collection of amounts persons are liable to pay under certain provisions in both of those Acts (non-domestic rates and business rate supplements).
- 4.2 The Regulations amend the 1989 Regulations to remove the ability for billing authorities to issue single rate demand notices that cover multiple financial years.
- 4.3 The Regulations amend the 2003 Regulations to remove the requirement to include explanatory notes with rate demand notices and, instead, to make explanatory notes available online. The Regulations also amend the wording of the explanatory notes local authorities are required to publish (set out in Schedule 2 to the 2003 Regulations) to reflect changes to non-domestic rating which will have effect for the 2017-18 billing year.

5. Extent and Territorial Application

- 5.1 The extent of this instrument is England and Wales.
- 5.2 The territorial application of this instrument England.

6. European Convention on Human Rights

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

7. Policy background

What is being done and why

- 7.1 This instrument supports the Government's aim to modernise and improve the administration of business rates. The amendments made by this instrument are linked to commitments made following the 2015 Business Rate Review, during which ratepayers indicated that they found multi-year billing confusing. As a result of the amendments made by this instrument, billing authorities will, in future, issue single rate demand notices for each financial year.
- 7.2 Moving explanatory notes online (rather than requiring hard copies to be included with bills) is intended to modernise and streamline the billing process. The amendments made by this instrument will ensure that billing authorities include a statement in all non-domestic rating demand notices which informs ratepayers that explanatory notes are published on the authority's website, provides the address of the website and also informs ratepayers that hard copies of the explanatory notes are available on request.
- 7.3 The 2003 Regulations, amongst other things, set out the information that is to be contained in non-domestic rating demand notices and in "explanatory notes" which inform ratepayers of non-domestic rating policy so that they understand the policy and the impact it may have on their rates bills. The Government is amending the 2003 Regulations to reflect the changes that will apply for the 2017-18 billing year, such as the permanent doubling of small business rate relief and the doubling of the rural rate relief scheme.

Consolidation

- 7.4 The Department does not intend to consolidate the 2003 Regulations at this stage. The Department intends to issue a Business Rates Information Letter providing billing authorities with details of the proposed revised explanatory notes.

8. Consultation outcome

- 8.1 There has been no consultation on these changes to the 1989 and 2003 Regulations. The need to update the content of rates bills arises from a need to ensure that demand notices reflect changes announced by Government in the 2016 Budget and Autumn Statement. As above, the changes to multi-year billing and online explanatory notes reflect feedback from ratepayers during the Business Rates Review. The Department has also worked with a small group of local authorities in developing these specific measures, following the commitments in the Business Rates Review.

9. Guidance

- 9.1 No guidance is required on these Regulations. The provision of information alongside rates bills is a well understood part of the non-domestic rates system and the changes to multi-year billing and online explanatory notes are straightforward.

10. Impact

- 10.1 There is no impact on business, charities or voluntary bodies. There will be a small benefit to businesses from receiving single-year bills and being able to access explanatory notes online – but these benefits are not easily quantifiable.
- 10.2 The impact on the public sector is that billing authorities must amend the information they provide to ratepayers in non-domestic rating demand notices. They will also be required to publish explanatory notes online and cease to issue multi-year bills. We do not expect ending multi-year billing to have a significant impact on billing authorities.
- 10.3 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.

11. Regulating small business

- 11.1 The legislation does not apply to activities that are undertaken by small businesses 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

- 13.1 Alex Lim at the Department for Communities and Local Government (Tel: 0303 44 43115 or email: alex.lim@communities.gsi.gov.uk) can answer any queries regarding the instrument.