

EXPLANATORY MEMORANDUM TO
THE NON-DOMESTIC RATING (COMPILATION AND ALTERATION OF LISTS)
(ENGLAND) REGULATIONS 2020

2020 No. 1403

1. Introduction

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

2. Purpose of the instrument

- 2.1 This instrument requires those local authorities in England who are responsible for charging business rates to provide information relating to persons liable to pay business rates to the Valuation Office Agency (VOA) on a quarterly basis. This information will help the VOA compile and maintain accurate non-domestic rating lists.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 None.

Matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business (English Votes for English Laws)

- 3.2 As the instrument is subject to negative resolution procedure there are no matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business at this stage.

4. Extent and Territorial Application

- 4.1 The territorial extent of this instrument is England and Wales.
4.2 The territorial application of this instrument is England.

5. European Convention on Human Rights

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

6. Legislative Context

- 6.1 Paragraph 6(1) of Schedule 9 to the Local Government Finance Act 1988 provides that, if in the course of its functions any information comes to the notice of a billing authority that leads it to suppose that a list required alteration, that authority is under a duty to inform the relevant valuation officer. In addition to this general duty, paragraph 6(1A) gives a power to the Secretary of State to make regulations containing provision about information that must be supplied by billing authorities to valuation officers, and the time and manner of the supply of this information. This instrument prescribes information about ratepayers to be supplied by billing authorities to valuation officers on a quarterly basis.

7. Policy background

What is being done and why?

- 7.1 The VOA has a statutory function to compile and maintain non-domestic rating lists containing the rateable value of properties liable for business rates¹. To do this it is necessary for the VOA to have up-to-date information on ratepayers. Therefore, this instrument places a duty on billing authorities to regularly provide such information to the VOA.
- 7.2 The next business rates revaluation of non-domestic properties in England is intended to take place on 1 April 2023, and will be based on market rents at 1 April 2021. To support the VOA in preparing for that revaluation, this instrument will ensure the duty to provide information about ratepayers is in place from January 2021.
- 7.3 This instrument requires each English billing authority to provide information relating to the ratepayers of non-domestic properties included on that authority's local rating list to valuation officers on a quarterly basis. In respect of each property, the information to be provided is:
- The name and postal address of the ratepayer.
 - Where available, the email address and telephone number of that ratepayer.
 - The date on which that ratepayer became the ratepayer for the hereditament.
 - The property's local authority reference number.
- 7.4 From 2021 onwards, this information must be provided to the VOA by the following dates each year:
- 15 January
 - 15 April
 - 15 July
 - 15 October

8. European Union (Withdrawal) Act/Withdrawal of the United Kingdom from the European Union

- 8.1 This instrument does not relate to withdrawal from the European Union / trigger the statement requirements under the European Union (Withdrawal) Act.

9. Consolidation

- 9.1 There are no plans to consolidate the legislation.

10. Consultation outcome

- 10.1 The Department has discussed the instrument during the drafting stage with the VOA, local authorities and their representative bodies. Local government support the introduction of this duty as it provides a clear statutory basis for them to share with the VOA the information about ratepayers and also helps ensure future rateable values and rating lists are accurate.

¹ Section 41(1) and 52(1) of the Local Government Finance Act 1988

11. Guidance

- 11.1 Billing authorities will be notified of this instrument as part of the Department's regular communications prior to the first provision of information being required. The VOA will work with local government to provide for the smooth and safe transfer and handling of the information.

12. Impact

- 12.1 There is no impact on business, charities or voluntary bodies.
- 12.2 The impact on the public sector is minimal as other types of information is already shared between local government and the VOA.
- 12.3 An Impact Assessment has not been prepared for this instrument as it amends a local taxation regime and amendments to any tax are excluded from the definition of a regulatory provision².

13. Regulating small business

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

14. Monitoring & review

- 14.1 The Government keeps the operation of the non-domestic rating system and underpinning legislation under regular review.

15. Contact

- 15.1 Nick Pellegrini at the Ministry of Housing, Communities and Local Government, Telephone: 0303 444 1618 or email: Nick.Pellegrini@communities.gov.uk, can be contacted with any queries regarding the instrument.
- 15.2 Chris Megainey, Deputy Director for Local Taxation, at the Ministry of Housing, Communities and Local Government can confirm that this Explanatory Memorandum meets the required standard.
- 15.3 Minister Luke Hall at the Ministry of Housing, Communities and Local Government can confirm that this Explanatory Memorandum meets the required standard.

² Section 22(4)(a) of the Small Business, Enterprise, and Employment Act 2015.