

**EXPLANATORY MEMORANDUM TO**  
**THE COUNCIL TAX (DEMAND NOTICES) (ENGLAND) (AMENDMENT)**  
**REGULATIONS 2020**

**2020 No. 21**

**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 The instrument amends the Council Tax (Demand Notices) (England) Regulations 2011 (“the 2011 Regulations”) (S.I. 2011/3038) which make provision about matters to be contained in, and information to be supplied with, council tax demand notices (“the notices”) sent to council tax payers. The amendments in this instrument provide for information supplied with notices for financial years from 2020-21 to contain updated explanatory text about council tax charged to fund expenditure on adult social care functions from the year 2016-17.

**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 the 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 only.

**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 Part 1 of the Local Government Finance Act 1992 (“the 1992 Act”) concerns council tax in England and Wales. Under the 1992 Act billing authorities are required to levy and collect council tax in respect of dwellings situated in their areas (see section 1(1) and (2) of that Act).  
6.2 Under powers in Schedule 2 to the 1992 Act, the Secretary of State may require billing authorities to serve a notice on a person before they are liable for council tax

for a financial year, and may prescribe the form of and the matters contained in that notice.<sup>1</sup> Using these powers the Secretary of State has provided for such a notice to be served and for it to include information about council tax charged by certain local authorities to spend on their adult social care functions.<sup>2</sup> This instrument updates that information for notices issued for financial years from 2020-21.

## 7. Policy background

### *What is being done and why?*

- 7.1 In recognition of demographic pressures, and consequent demands on local authority services and finances, the Spending Review and Autumn Statement 2015 announced a number of measures to help local authorities with responsibility for adult social care. This included a council tax measure:
- “The Spending Review creates a social care precept to give local authorities who are responsible for social care the ability to raise new funding to spend exclusively on adult social care. The precept will work by giving local authorities the flexibility to raise council tax in their area by up to 2% above the existing threshold.”<sup>3</sup>
- 7.2 The Secretary of State announced on 17 December 2015 that he would take steps to ensure that the amounts charged in respect of the flexibility - henceforth known as the Adult Social Care Precept (“ASC Precept”) - would appear on demand notices from the financial year 2016 onwards.
- 7.3 To help council tax payers to understand the calculation of their bill the notices issued by billing authorities from mid-March each year must include a range of matters specified by the 2011 Regulations. These include the authorities charging council tax in the area, the amount being charged, and the percentage increase from the preceding year. The notice must be supplied in hard copy unless the recipient and authority agree to electronic billing. There are also requirements to supply additional information about the expenditure and council tax requirement of billing, precepting and levying bodies. This additional information – which is generally known as the accompanying “council tax leaflet” – may be supplied electronically unless the recipient requests it in hard copy.
- 7.4 The council tax leaflet must also include an explanation of the purpose of the ASC Precept and the types of local authorities which may charge it. The 2011 Regulations prescribe text which refers to the option of charging the ASC Precept being available to local authorities up to and including the year 2019-20. The 2019 Spending Review announced the Government’s intention to make the ASC Precept available again in 2020-21. Consequently, it is necessary to update the prescribed text. No other changes

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<sup>1</sup> See paragraph 2(4)(a), (b), (d) and (e) of Schedule 2 to the 1992 Act. The requirement to serve a notice is included in regulation 18 of the Council Tax (Administration and Enforcement) Regulations 1992 (S.I. 1992/613).

<sup>2</sup> The 2011 Regulations were amended by the Council Tax (Demand Notices) (England) (Amendment) Regulations 2016 (S.I. 2016/188) and the Council Tax (Demand Notices) (England) (Amendment) Regulations 2017 (S.I. 2017/13) to require, for financial years from 2016-17, additional information to be contained in notices about council tax charged by adult social care authorities (as defined by section 1(4) of the Care Act 2014, plus the Council of the Isles of Scilly) to expend on adult social care functions.

<sup>3</sup> See ‘Spending Review and Autumn Statement 2015’, section 1.107  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/479749/52229\\_Blue\\_Book\\_PU1865\\_Web\\_Accessible.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/479749/52229_Blue_Book_PU1865_Web_Accessible.pdf)

to council tax billing are required, and any further decision to continue the ASC Precept beyond 2020-21 will be a matter for the Secretary of State with the approval of the House of Commons.

- 7.5 The new prescribed text was drafted following discussion with local authority representatives, and indicates that the ASC Precept is subject to renewal by the Secretary of State with the approval of the House of Commons.

## **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.

## **9. Consolidation**

- 9.1 There are no plans to undertake a consolidation.

## **10. Consultation outcome**

- 10.1 The Department contacted local authority representatives to seek views on the updated text for inclusion in council tax leaflets. The final approach takes account of the comments made, in particular the need to provide clear explanatory information to bill payers. Those consulted were broadly content with the proposed approach.

## **11. Guidance**

- 11.1 Local authorities will receive a letter from the Department outlining the requirements of the regulations and providing contact details to obtain further information.

## **12. Impact**

- 12.1 There is no impact on business, charities or voluntary bodies.
- 12.2 There is no significant impact on the public sector.
- 12.3 An Impact Assessment has not been prepared for this instrument as it amends a local tax regime.

## **13. Regulating small business**

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

## **14. Monitoring & review**

- 14.1 It is intended that these regulations will be reviewed following any future decisions about changes to the Adult Social Care Precept. The Department will also seek ongoing local authority feedback via existing forums.

## **15. Contact**

- 15.1 Nick Littlewood at the Ministry of Housing, Communities and Local Government. Telephone: 0303 44 42096 or email: [nick.littlewood@communities.gov.uk](mailto:nick.littlewood@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 Luke Hall MP, Parliamentary Under Secretary of State at the Ministry of Housing, Communities and Local Government can confirm that this Explanatory Memorandum meets the required standard.