

EXPLANATORY MEMORANDUM TO
THE COUNCIL TAX AND NON-DOMESTIC RATING (DEMAND NOTICES)
(ENGLAND) (AMENDMENT) REGULATIONS 2023

2023 No. 13

1. Introduction

1.1 This explanatory memorandum has been prepared by The Department for Levelling Up, Housing and Communities and is laid before Parliament by Command of His Majesty.

2. Purpose of the instrument

2.1 These Regulations amend the Council Tax and Non-Domestic Rating (Demand Notices) (England) Regulations 2003 (S.I. 2003/2613) (“the 2003 Regulations”). These regulations update the explanatory notes which must be published on a billing authority’s website in relation to non-domestic rating demand notices.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instructions.

3.1 None.

4. Extent and Territorial Application

4.1 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England and Wales.

4.2 The territorial application of this instrument (that is, where the instrument produces a practical effect) 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 Schedule 2 to the 2003 Regulations sets out the matters which must be included in a non-domestic rating demand notice (or “rates bill”). That Schedule also sets out text for explanatory notes in relation to these rates bills. Part 1 of Schedule 2 applies to rates bills sent by a billing authority other than the Common Council of the City of London (to which Part 3 of Schedule 2 applies). Where the billing authority is a rural settlement authority, Part 1 is modified by Part 2 of Schedule 2.

6.2 The explanatory notes set out in Schedule 2 in relation to these different categories of rates bills provide information about non-domestic rates and the reliefs that are available. Regulation 3 of the 2003 Regulations requires a billing authority to publish explanatory notes in the same or substantially similar terms to those set out in Schedule 2 on its website, and to supply a ratepayer with a hard copy of such notes on request. The prescribed explanatory notes must be amended from time to time to ensure they are up to date.

7. Policy background

What is being done and why?

- 7.1 The explanatory notes which are required to be published on a billing authority's website inform ratepayers of non-domestic rates policy so that they understand the impact it may have on their rates bills. Explanatory notes are updated whenever non-domestic rating policy changes such as at a fiscal event or a revaluation. They also direct ratepayers to the business rates information pages on the gov.uk website¹.
- 7.2 The Government is amending the explanatory notes in Schedule 2 to the 2003 Regulations to reflect the changes that will apply from the 2023/24 billing year as a result of the 2023 business rates revaluation and measures announced at the Autumn Statement 2022. The 2023 business rates revaluation will update rateable values based on the rental market at 1 April 2021². The Autumn Statement 2022 included a number of business rates measures for 2023/24 including a new transitional relief scheme for those facing large increases in bills at the 2023 revaluation³.
- 7.3 We have also provided information on the new UK subsidy control regime commenced from 4 January 2023. The new regime enables public authorities, including devolved administrations and local authorities, to deliver subsidies, which may include some rate reliefs, that are tailored for local needs. Public authorities giving subsidies must comply with the UK's international subsidy control commitments.

8. European Union Withdrawal and Future Relationship

- 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 The Department does not intend to consolidate the 2003 Regulations.

10. Consultation outcome

- 10.1 There has been no formal consultation on these changes to the 2003 Regulations. The government updates the content of explanatory notes to ensure they reflect current information about the business rates system. The Government has shared the amended text with key local authority stakeholders prior to finalising the revised text to the explanatory notes.

11. Guidance

- 11.1 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.

12. Impact

- 12.1 There is no, or no significant, impact on business, charities or voluntary bodies.

¹ <https://www.gov.uk/introduction-to-business-rates>

² <https://www.gov.uk/introduction-to-business-rates/revaluation>

³ A full list of available reliefs can be found on the relevant pages of gov.uk <https://www.gov.uk/apply-for-business-rate-relief>

12.2 The impact on the public sector is that billing authorities must amend the information they provide to ratepayers in non-domestic rating demand notices. This is a normal part of the rating system.

12.3 An Impact Assessment has not been prepared for this instrument because it amends an existing local tax regime. Publication of a full impact assessment is not necessary for such legislation⁴.

13. Regulating small business

13.1 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.

14. Monitoring & review

14.1 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 rates⁵.

15. Contact

15.1 Edward Stanislas at the Department for Levelling Up, Housing and Communities Telephone: 0303 441759 or email: Edward.stanislas@levellingup.gov.uk can be contacted with any queries regarding the instrument.

15.2 Chris Megainey, Deputy Director for Local Government Taxation, at the Department for Levelling Up, Housing and Communities can confirm that this Explanatory Memorandum meets the required standard.

15.3 Lee Rowley at the Department for Levelling Up, Housing and Communities can confirm that this Explanatory Memorandum meets the required standard.

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

⁵ The instrument, which is in connection with a local taxation regime, is not subject to the duty to review regulatory provisions in secondary legislation in section 28 of the Small Business, Enterprise, and Employment Act 2015.