2002 No. 180

COUNCIL TAX, ENGLAND
RATING AND VALUATION, ENGLAND

The Council Tax and Non-Domestic Rating (Demand Notices) (England) (Amendment) Regulations 2002

Made - - - - -	*31st January 2002*
Laid before Parliament	*1st February 2002*
Coming into force - -	*22nd February 2002*

The Secretary of State for Transport, Local Government and the Regions, in exercise of the powers conferred upon him by sections 143(1) and (2) of and paragraphs 1 and 2(2)(ga) and (h) of Schedule 9 to the Local Government Finance Act 1988(**a**), and of all other powers enabling him in that behalf, hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Council Tax and Non-Domestic Rating (Demand Notices) (England) (Amendment) Regulations 2002 and shall come into force on 22nd February 2002.

Amendment of Demand Notices regulations

2.—(1) Schedule 2 to the Council Tax and Non-Domestic Rating (Demand Notices) (England) Regulations 1993(**b**) is amended, in relation to demand notices served by an English billing authority with respect to financial years beginning on or after 1st April 2002, as follows.

(2) For the Explanatory Notes set out in paragraph 6 of Part I of that Schedule there is substituted—

"EXPLANATORY NOTES

Non-Domestic Rates

The non-domestic rates, or business rates, collected by local councils are the means by which businesses and others who occupy non-domestic property make a contribution towards the cost of local services. Except in the City of London where special arrangements apply, the rates are pooled by central government and redistributed to local councils according to the number of people living in the area. This money, together with revenue from council taxpayers, revenue support grant provided by the Government and certain other sums, is used to pay for the services provided by your local council and other local authorities in your area.

(**a**) 1988 c. 41. See section 146(6) for the definition of "prescribed". Relevant amendments to Schedule 9 are made by paragraph 44 of Schedule 5 to the Local Government and Housing Act 1989 (c. 42) and paragraph 87 of Schedule 13 to the Local Government Finance Act 1992 (c. 14).

(**b**) S.I. 1993/191: relevant amendments are made by S.I. 1995/121, S.I. 1997/394, S.I. 1998/47 and S.I. 2000/534.

[DTLR 2307]

Rateable Value

Apart from properties that are exempt from Business Rates, each non-domestic property has a rateable value which is normally set by the valuation officers of the Valuation Office Agency (VOA), an Agency of the Inland Revenue. It draws up and maintains a full list of all rateable values, which are available on their website at *www.voa.gov.uk*. The rateable value of your property will be shown on the front of this bill. The rateable value broadly represents the yearly rent the property could have been let for on the open market on a particular date. For the revaluation that came into effect on 1 April 2000, this date was set as 1 April 1998.

The valuation officer has to maintain the list and may alter the value if he or she believes that the circumstances of the property have changed. The ratepayer (and certain others who have an interest in the property) can also appeal against the value shown in the list if they believe it is wrong. Further information on the grounds for making an appeal, and on how to make one, can be found on the VOA website at *www.voa.gov.uk* or from your local valuation office.

The effect of successful appeals against values shown in the rating list that came into force on 1 April 2000 will normally be backdated to the beginning of the financial year in which they are made, although there are exceptions to this. Further information about these arrangements may be obtained on the DTLR website at *www.local-regions.dtlr.gov.uk/rev2000/leaflet*.

National Non-Domestic Rating Multiplier

The local council works out the Business Rates bill by multiplying the rateable value of the property by the multiplier or "poundage" which the Government sets from 1 April each year for the whole of England. The Government normally changes the multiplier every year to move in line with inflation. By law, the multiplier cannot go up by more than the rate of inflation, except in the year of a revaluation when it is set at a level which will keep the total amount raised in rates after the revaluation the same as before, plus inflation for that year. The current multiplier will be shown on the front of this bill.

Transitional Arrangements

Property values normally change a good deal between each revaluation. Transitional arrangements help to phase in the effects of these changes by limiting the amount by which a bill may rise following a revaluation. To help pay for the limits on increases in bills after a revaluation, there also have to be limits on reductions in bills. Under the transition scheme, limits continue to apply to yearly increases and decreases until the full amount is due (rateable value times the multiplier).

The scheme applies only to the bill based on a property at the time of the revaluation. If there are any changes to the property after the revaluation date, transitional arrangements will not normally apply to the part of a bill that applies to any increase in rateable value due to those changes. Further information about transitional arrangements may be obtained from [insert name of billing authority] or on the DTLR website at *www.local-regions.dtlr.gov.uk/rev2000/leaflet*.

Any transitional adjustments will be shown on the front of this bill.

Unoccupied Property Rating

In general, there will be no Business Rates to pay for the first three months that a property is empty. After that, an empty property rate of 50 per cent of the bill that would have been due on the occupied property will be payable. Industrial buildings, listed buildings and small properties with rateable values of less than £1900, pay no empty property rates even after the first three months have expired.

Charitable and Discretionary Relief

Charities are entitled to relief from rates on any non-domestic property that is wholly or mainly used for charitable purposes. Relief is given at 80 per cent of the bill. Local councils have discretion to give further relief on the remaining bill.

Authorities also have discretion to give relief on all or part of any rate bill for property occupied by certain non-profit making bodies. They can also consider giving rate relief in cases of hardship or where part of a property is beyond use for a certain period.

Rate relief for new, non-agricultural business on previously agricultural land or buildings

Rate relief is available for businesses with rateable values of up to £6000, where the business is set up on previously agricultural land or buildings. Subject to certain conditions, the business will get a 50 per cent reduction in the rates bill for up to five years. Local councils have discretion to give further relief on the remaining bill on such property.

Rating advisers

Ratepayers do not have to be represented in discussions about their rateable value or their rates bill. Appeals against rateable values can be made free of charge. However, ratepayers who do wish to be represented should be aware that members of the Royal Institution of Chartered Surveyors (RICS—*website www.rics.org.uk*) and the Institute of Revenues Rating and Valuation (IRRV—website *www.irrv.org.uk*) are qualified and are regulated by rules of professional conduct designed to protect the public from misconduct. Before you employ a rating adviser, you should check that they have the necessary knowledge and expertise, as well as appropriate indemnity insurance. Take great care and, if necessary, seek further advice before entering into any contract.".

(3) For the note headed "Rural rate relief" set out in paragraph (b) of Part IA of that Schedule there is substituted—

"Rate relief for businesses in rural areas

Certain types of business in rural villages, with a population below 3000 may qualify for rate relief of 50 per cent. Businesses that qualify for this relief are the sole general store and the sole post office in the village, provided it has a rateable value of up to £6000; any food shop with a rateable value of up to £6000; and the sole pub and the sole petrol station in the village provided it has a rateable value of up to £9000. Local councils have discretion to give further relief on the remaining bill on such property.

The local council may decide to give up to 100 per cent relief to any other business in such a rural village, with a rateable value of up to £12,000, if it is satisfied that the business is of benefit to the community and having regard to the interests of its council taxpayers.".

(4) For the Explanatory Notes set out in paragraph 3 of Part II of that Schedule there is substituted—

"EXPLANATORY NOTES

Non-Domestic Rates

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Special arrangements for the City of London

As indicated above, because of its special circumstances—notably its very small resident population—the Common Council of the City of London can set its own rate and retain part of the proceeds to help pay for the services it provides. It may set this rate, subject to certain constraints, at a higher or lower level than the rate which applies outside the City of London. The amount it must pay into the central pool (as described above) is reduced by the amount which the Government believes is reasonable for it to retain. These arrangements ensure that the City of London ratepayers and council taxpayers each bear an appropriate share of the cost of providing the services which benefit them.

The City of London Rating Multiplier

The non-domestic rating multiplier for the City of London is the rate which the Common Council levies on each pound of rateable value in order to raise the amount which it is required to pay into the central pool, and the amount which it retains to pay for its own services.

Rateable Value

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Revocations and savings

3.—(1) Subject to paragraph (2), the provisions set out in the Schedule are revoked.

(2) Paragraph (1) does not affect demand notices with respect to financial years beginning before 1st April 2002.

Signed by the authority of the Secretary of State
for Transport, Local Government and the Regions

Nick Raynsford
Minister of State,
31st January 2002 Department for Transport, Local Government and the Regions.

THE SCHEDULE

Regulation 3(1)

REVOCATIONS

Regulations revoked	*References*	*Extent of revocation*
The Council Tax and Non-Domestic Rating (Demand Notices) (England) Amendment Regulations 1995.	S.I. 1995/121.	Regulations 3(3), (4) and (5).
The Council Tax and Non-Domestic Rating (Demand Notices) (England) (Amendment) Regulations 1997.	S.I. 1997/394.	Regulation 6.
The Council Tax and Non-Domestic Rating (Demand Notices) (England) (Amendment) (Rural Rate Relief) Regulations 1998.	S.I. 1998/47.	Regulation 2(4) so far as it relates to paragraph (b) in the inserted Part IA.
The Council Tax and Non-Domestic Rating (Demand Notices) (England) (Amendment) (No. 2) Regulations 2000.	S.I. 2000/534.	The whole Regulations.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Council Tax and Non-Domestic Rating (Demand Notices) (England) Regulations 1993. Regulation 2 amends the Explanatory Notes which billing authorities in England are required to include in rate demand notices with respect to any financial year beginning on or after 1st April 2002. The new version of the Explanatory Notes takes account of changes to the rating system.

Regulation 3 revokes spent provisions.

STATUTORY INSTRUMENTS

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