EXPLANATORY MEMORANDUM TO

THE COUNCIL TAX AND NON-DOMESTIC RATING (DEMAND NOTICES) (ENGLAND) (AMENDMENT) REGULATIONS 2014

2014 No. 404

1. 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 make provision in relation to the content of non-domestic rating demand notices (and council tax demand notices for years commencing before 1st April 2010). These Regulations update the explanatory notes which must be provided with demand notices under the 2003 Regulations.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Context

4.1 Schedule 2 to the 2003 Regulations sets out the matters which must be included in a non-domestic rating demand notice ("rates bills"). Part 1 of that Schedule applies to a demand notice sent by a billing authority other than a rural settlement authority (to which Part 2 of Schedule 2 applies) and a special authority (to which Part 3 of Schedule 2 applies). The term "special authority" is defined in section 144(6) of the Local Government Finance Act 1988 ("the 1988 Act"). The term "rural settlement authority" is defined in the 2003 Regulations as a billing authority which has, in respect of the relevant year, identified one or more rural settlements for that year in a list compiled under section 42A(2) of the 1988 Act. The explanatory notes which are required by each Part give the recipient of a demand notice information about non-domestic rates and the reliefs that are available.

4.2 To ensure rates bills contain up-to-date information, these Regulations amend Schedule 2 to the 2003 Regulations to reflect changes to non-domestic rating which will have effect for the forthcoming financial year.

5. Territorial Extent and Application

5.1 This instrument applies to 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

7.1 The 2003 Regulations set out the information that is to be contained in rates bills to inform ratepayers of non-domestic rates policy so that they understand the policy and impact it may have on their rates bills.

7.2 There have been recent changes to non-domestic rates policy, and therefore the Government is amending the 2003 Regulations so that ratepayers have access to information that may affect their liability for non-domestic rates and other information of which they may wish to be aware. These changes were set out in the Government's Autumn Statement 2013, available here:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/263942/35062_Autumn_Statement_2013.pdf

7.3 The main changes which have been reflected in these amendments are:

- confirmation that the Government has capped the RPI increase in the business rates bills for 2014-15 at 2%;
- the forthcoming introduction of measures that will require authorities to allow businesses to pay their rates bill by 12 monthly instalments;
- the continuation for a further year - 2014-15 - of the temporary increase in small business rate relief;
- changes to eligibility for small business rate relief which mean that businesses that take on an additional property, that would have otherwise resulted in the loss of small business rate relief, will keep the relief for a period of 12 months;
- the availability of funding for authorities to provide up to £1,000 discount - in 2014-15 and 2015-16 - in non-domestic rates bills for retail properties with a rateable value of up to £50,000;
- the availability of funding for authorities to provide a 50% discount in non-domestic rates, for 18 months, for businesses that move into retail premises that have been empty for a year or more.

8. Consultation outcome

8.1 There has been no consultation on these changes to the 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 2013 Autumn Statement.

9. Guidance

9.1 No guidance is required on these Regulations. The provision of information alongside rates bills is an understood part of the non-domestic rates system.

10. Impact

10.1 The 2014 Regulations update the information to be provided to ratepayers to ensure it is up to date following other legislative and policy changes. As such, there is no foreseen impact on business, charities or voluntary bodies as a result of the Regulations.

10.2 The impact on the public sector is that billing authorities must amend the information they provide to ratepayers with their non-domestic rates bills. This is a usual aspect of the rating system.

10.3 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

11.1 The legislation does not regulate small business (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 Peter Bates at the Department for Communities and Local Government (Tel: 0303 444 2077 or email: peter.bates@communities.gsi.gov.uk) can answer any queries regarding the instrument.