EXPLANATORY MEMORANDUM TO

THE COUNCIL TAX AND NON-DOMESTIC RATING (DEMAND NOTICES) (ENGLAND) (AMENDMENT) REGULATIONS 2016

2016 No. 316

1. Introduction

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 (S.I. 2003/2613) ("the 2003 Regulations"). 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 included in a non-domestic rating demand notice.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

Other matters of interest to the House of Commons

3.2 As this instrument is subject to the negative procedure and has not been prayed against, consideration as to whether there are other matters of interest to the House of Commons does not arise at this stage.

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 bill"). 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) or the Common Council (to which Part 3 of Schedule 2 applies). The explanatory notes, which are set out in each Part of Schedule 2, give the ratepayer 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 2016-17 billing year.

5. Extent and Territorial Application

5.1 This instrument extends to England and Wales.

5.2 This instrument applies in relation 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

What is being done and why

7.1 The 2003 Regulations, amongst other things, set out the information that is to be contained in non-domestic rating demand notices – the explanatory notes – to inform ratepayers of non-domestic rates policy so that they understand the policy and the impact it may have on their rates bills.

7.2 The Government is amending the explanatory notes in Schedule 2 to the 2003 Regulations to reflect the changes to non-domestic rating that will apply to the 2016-17 billing year. The changes include extension of the doubling of Small Business Rate Relief for a further year, the removal of the reference to the temporary retail relief which will not apply in 2016-17, the removal of the reference to the 2% inflation increase in 2015-16, and the removal of the reference to the Government announcement on the closure of the valuation list. The explanatory notes have also been amended to improve the text concerning the arrangements for the City of London and the eligibility criteria for Small Business Rate Relief.

Consolidation

7.3 The Department does not intend to consolidate the 2003 Regulations. The Department has issued a Business Rates Information Letter providing billing authorities with details of the proposed revised explanatory notes.

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 2015 Autumn Statement.

9. Guidance

9.1 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.

10. Impact

10.1 There is no impact on business, charities or voluntary bodies.

10.2 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 usual aspect of the rating system.

10.3 An impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen and the impact on the public sector is minimal.

11. Regulating small business

11.1 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.

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 David McDonald at the Department for Communities and Local Government (Tel: 0303 44 42135 or email: david.mcdonald@communities.gsi.gov.uk) can answer any queries regarding the instrument.