EXPLANATORY MEMORANDUM TO

THE COUNCIL TAX AND NON-DOMESTIC RATING (DEMAND NOTICES) (ENGLAND) (AMENDMENT) REGULATIONS 2020

2020 No. [XXXX]

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 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 an 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 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 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 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. Where the billing authority is a business rates supplement authority, Part 1 is modified by Part 2A of Schedule 2. Where the Common Council of the City of London is a business rates supplement authority, Part 3 is modified by Part 3A 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.

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 rates bills and be published online. The explanatory notes which are required to be published on a billing authority's website inform ratepayers of non-domestic rates policy and legislation, so that they understand the impact it may have on their rates bills. Billing authorities are also required to provide ratepayers with a hard copy of these explanatory notes on request. Explanatory notes are updated annually through regulations to reflect any relevant changes in non-domestic rates policy.

7.2 The Government is amending the explanatory notes in Schedule 2 to the 2003 Regulations in order to simplify and improve the layout of the notes, to remove material about past events which is no longer relevant, and to ensure the notes remain accurate in light of any changes to business rates reliefs that may be introduced at the March 2020 Budget. Any changes to business rates reliefs are usually confirmed at Budget by the Treasury, and this can include the introduction of 'temporary' reliefs that do not require any legislative change. In recent years the Budget has taken place in the Autumn, which has allowed these explanatory notes to be updated to include any new reliefs or changes to reliefs made at this point. However, the next Budget is due to take place in March 2020. The Government is therefore amending the notes so that rather than give detailed information on specific reliefs, they provide an outline of the reliefs framework and specifically direct ratepayers to the Government's website where up to date information on specific reliefs is provided. The notes also make clear that ratepayers should contact their billing authority to confirm eligibility for reliefs. That authority can also provide ratepayers with further information about the business rates system in general.

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 The Department does not intend to consolidate the 2003 Regulations.

10. Consultation outcome

10.1 There has been no consultation on these changes to the 2003 Regulations. The need to update the content of explanatory notes relating to rates bills arises from a need to ensure that they reflect current information about the business rates system for financial year 2020-21.

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.

12.2 The impact on the public sector is that billing authorities must amend the information they provide to ratepayers in relation to rates bills. This is a regular feature 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 legislation.

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 the Government provides which relates to the rates bills which small businesses will receive.

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 rates.

15. Contact

15.1 Edward Stanislas at the Ministry of Housing, Communities and Local Government Telephone: 0303 444 1759 or email: edward.stanislas@communities.gov.uk can be contacted with any queries regarding the instrument.

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

15.3 Luke Hall at the Ministry of Housing, Communities and Local Government can confirm that this Explanatory Memorandum meets the required standard.