**EXPLANATORY MEMORANDUM TO**

# THE COUNCIL TAX AND NON-DOMESTIC RATING (DEMAND NOTICES) (ENGLAND) (AMENDMENT) REGULATIONS 2026

**2026 No. 299**

## 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 His Majesty.

1.2 This memorandum contains information for the Secondary Legislation Scrutiny Committee.

## 2. Declaration

2.1 Baroness Taylor, Statutory Instrument Minister at the Ministry of Housing, Communities and Local Government confirms that this Explanatory Memorandum meets the required standard.

2.2 Michelle Warbis, Deputy Director for Local Tax and Pensions, at the Ministry of Housing, Communities and Local Government confirms that this Explanatory Memorandum meets the required standard.

## 3. Contact

3.1 Daryl Sullivan at the Ministry of Housing, Communities and Local Government can be contacted by email at the following address with any queries regarding the instrument: Daryl.Sullivan@communities.gov.uk

## Part One: Explanation, and context, of the Instrument

## 4. Overview of the Instrument

***What does the legislation do?***

4.1 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.

***Where does the legislation extend to, and apply?***

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

4.3 The territorial application of this instrument (that is, where the instrument produces a practical effect) is England.

## 5. Policy Context

***What is being done and why?***

5.1 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 relevant information pages on the gov.uk website in relation to business rates.

***What was the previous policy, how is this different?***

5.2 The previous iteration of the explanatory notes contained references to dates and titles which are now incorrect, as well as references to the previous revaluation. The updated notes amend these out of date references and add an explanation of the new multipliers (tax rates) and transitional relief scheme announced at Budget 2025.

## 6. Legislative and Legal Context

***How has the law changed?***

6.1 The Government is amending the explanatory notes in Schedule 2 to the 2003 Regulations to reflect the changes that will apply from the 2026/27 billing year as a result of the 2026 business rates revaluation and measures announced at Budget 2025. The 2026 business rates revaluation will update rateable values based on the rental market on 1 April 2024. Budget 2025 announced a number of business rates measures for 2026/27 including the introduction of three new multipliers (tax rates) and a transitional relief scheme for those facing large increases in bills at the 2026 revaluation.

***Why was this approach taken to change the law?***

6.2 This is the only possible approach to make the necessary changes.

## 7. Consultation

***Summary of consultation outcome and methodology***

7.1 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.

## 8. Applicable Guidance

8.1 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.

# Part Two: Impact and the Better Regulation Framework

## 9. Impact Assessment

9.1 A full 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.

***Impact on businesses, charities and voluntary bodies***

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

9.3 The legislation does not impact small or micro businesses.

9.4 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.

## 10. Monitoring and review

***What is the approach to monitoring and reviewing this legislation?***

10.1 The approach to monitoring this legislation is that 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.

## Part Three: Statements and Matters of Particular Interest to Parliament

## 11. Matters of special interest to Parliament

11.1 This instrument will come into force in 20 days rather than the usual 21. This is the result of IT issues which occurred after the signing of the instrument but before it could be laid, and which delayed the laying of the instrument past the 5pm deadline for laying on that day. We are unable to amend the coming into force date as the date was included in the SI, which has been signed by the minister and is therefore law.

## 12. European Convention on Human Rights

12.1 As the instrument is subject to negative procedure and does not amend primary legislation, no statement is required.

## 13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts").