
STATUTORY INSTRUMENTS

2003 No. 2613

**COUNCIL TAX, ENGLAND
RATING AND VALUATION, ENGLAND**

**The Council Tax and Non-Domestic Rating
(Demand Notices) (England) Regulations 2003**

Made - - - - *6th October 2003*
Laid before Parliament *15th October 2003*
Coming into force - - *5th November 2003*

The Secretary of State, in exercise of the powers conferred on him by sections 143(1) and (2) and 146(6) of, and paragraphs 1, 2(2)(ga), (gc), (ge), and (h) and 6A of Schedule 9 to, the Local Government Finance Act 1988⁽¹⁾ and sections 113(1) and (2) and 116(1) of, and paragraphs 1, 2(4) (e), (g), (i) and (j), 4(4) and (5), and 14(1) and (2) of Schedule 2 and paragraph 6(1) and (2) of Schedule 3 to, the Local Government Finance Act 1992⁽²⁾, and of all other powers enabling him in that behalf, hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Council Tax and Non-Domestic Rating (Demand Notices) (England) Regulations 2003 and shall come into force on 5th November 2003.

(2) In these Regulations—

“the Act” means the Local Government Finance Act 1992;

“the 1988 Act” means the Local Government Finance Act 1988;

“the Administration Regulations” means the Council Tax (Administration and Enforcement) Regulations 1992⁽³⁾;

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- (1) 1988 (c. 41). These powers are devolved, in relation to Wales, to the National Assembly for Wales by the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672); see the reference to the Local Government Finance Act 1988 in Schedule 1. Paragraphs 2(2)(ga), (gc) and (ge) of Schedule 9 were inserted by the Local Government and Housing Act 1989 (c. 42), section 139 and Schedule 5, paragraph 44. Paragraph 6A of Schedule 9 was added by the Local Government Finance Act 1992 (c. 14), section 117(1) and Schedule 13, paragraph 87.
- (2) 1992 (c. 14). These powers are devolved, in relation to Wales, to the National Assembly for Wales by the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672); see the reference to the Local Government Finance Act 1992 in Schedule 1.
- (3) S.I. 1992/613; relevant amending instruments are S.I. 1992/3008, 1993/196, 1994/505, 1997/393, 2003/768, 2003/2211.

“appropriate levying body” in relation to a billing authority, means a passenger transport authority, the Broads Authority or the Environment Agency, insofar as the authority or agency has power—

- (a) to issue a levy to the billing authority, or
- (b) to issue a levy to a county council which has power to issue a precept to the billing authority;

“authorised person” means a person to whom an authorisation is given by a billing authority to exercise any functions relating to the administration of council tax or to the collection of non-domestic rates, as the case may be, by the Local Authorities (Contracting Out of Tax Billing, Collection and Enforcement Functions) Order 1996(4);

“billing authority” means an English billing authority;

“the Collection Regulations” means the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989(5);

“council tax demand notice” means a demand notice within the meaning of Part 5 of the Administration Regulations which is served by a billing authority or any authorised person;

“local precepting authority” means an authority specified in section 39(2)(c) to (e) of the Act;

“major precepting authority” has the meaning given by section 39(1) of the Act;

“rate demand notice” means a demand notice within the meaning of Part 2 of the Collection Regulations which is served by a billing authority or any authorised person (including such a notice served pursuant to Part 2 of the Non-Domestic Rating (Collection and Enforcement) (Miscellaneous Provisions) Regulations 1990(6) (joint owners and occupiers));

“the relevant year”, in relation to a notice, means the financial year to which the demand for payment made by the notice relates; and

“rural settlement authority” means 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(7).

(3) Any reference in these Regulations to the relevant valuation band in relation to a dwelling is a reference to the valuation band shown as applicable to the dwelling in the billing authority’s valuation list.

Application of Regulations

2. These Regulations apply in relation to council tax demand notices and rate demand notices served by an English billing authority or an authorised person on behalf of such a billing authority in relation to financial years beginning on or after 1st April 2004 and, accordingly, the Council Tax and Non-Domestic Rating (Demand Notices) (England) Regulations 1993(8), shall not have effect in relation to any such notice.

Content of demand notices, etc

3.—(1) Subject to paragraph (2), a council tax demand notice shall contain the matters specified in Schedule 1.

(4) S.I. 1996/1880.

(5) S.I. 1989/1058; relevant amending instruments are S.I. 1991/141, 1992/1512, 1993/616, 1993/774, 1993/1493, 2003/2210.

(6) S.I. 1990/145; relevant amending instruments are S.I. 1993/616, 1993/894.

(7) Section 42A of the Local Government Finance Act 1988 was inserted by the Local Government and Rating Act 1997, s.1 and Schedule 1, paragraph 1.

(8) S.I. 1993/191; relevant amending or modifying instruments are S.I. 1992/23, 1995/121, 1996/1880, 1997/394, 1998/47, 2000/5, 2001/3554, 2002/180.

(2) Without prejudice to regulation 18(2) of the Administration Regulations, a council tax demand notice which is served on a person—

- (a) after the end of the relevant year; and
- (b) at the same time as a council tax demand notice relating to another financial year not then ended is served on him;

need not contain the matter specified in paragraph 17 of Schedule 1.

(3) A rate demand notice—

- (a) served by a billing authority or an authorised person on behalf of the billing authority, other than the Common Council or a rural settlement authority, shall contain the matters mentioned in Part 1 of Schedule 2;
- (b) served by a rural settlement authority or an authorised person on behalf of the rural settlement authority, shall contain the matters mentioned in that Part as modified by Part 2; and
- (c) served by the Common Council or an authorised person on behalf of the Common Council, shall contain the matters mentioned in Part 3.

(4) Subject to paragraph (5), a billing authority must when it serves a council tax demand notice supply to the person on whom the notice is served the information mentioned in Part 1 of Schedule 3, and must when it serves a rate demand notice supply to the person on whom the notice is served the information mentioned in Part 2 of that Schedule; and Part 3 of that Schedule shall have effect for the purposes of both Parts 1 and 2.

(5) Paragraph (4) does not apply when a council tax demand notice or a rate demand notice is served after the end of the relevant year.

(6) Nothing in this regulation requires a notice to be given on a single sheet of paper, but if more than one sheet is used, the sheets shall be issued together, whether or not attached, as to comprise one notice.

Invalid notices

4.—(1) Where—

- (a) a council tax demand notice is invalid because it does not comply with regulation 3(1);
- (b) the failure to comply was due to a mistake; and
- (c) the amounts required to be paid under the notice were demanded in accordance with Part 5 of the Administration Regulations;

the requirement to pay those amounts shall apply as if the notice were valid.

(2) Where—

- (a) a rate demand notice is invalid because it does not comply with sub-paragraph (a) of paragraph (3) of regulation 3, or as the case may be, sub-paragraph (b) or (c) of that paragraph;
- (b) the failure to comply was due to a mistake; and
- (c) the amounts required to be paid under the notice were demanded in accordance with Part 2 of the Collection Regulations;

the requirement to pay those amounts shall apply as if the notice were valid.

(3) Where a requirement to pay an amount under an invalid notice subsists by virtue of paragraph (1) or (2), the billing authority shall as soon as practicable after the mistake is discovered issue to the liable person or ratepayer concerned a statement of the matters which were not contained in the notice and which should have been so contained.

Supply of information by precepting authorities

- 5.—(1) In order that a billing authority may fulfil its obligations under regulation 3—
- (a) every appropriate major precepting authority other than a county council shall, subject to paragraphs (6) and (7), when it issues a precept to a billing authority for a year, supply the billing authority with the information specified in paragraph (2);
 - (b) every appropriate major precepting authority which is a county council shall, subject to paragraphs (6) and (7), when it issues a precept to a billing authority for a year, supply the billing authority with the information specified in paragraphs (2) and (3);
 - (c) every appropriate local precepting authority shall, subject to paragraphs (6) to (8), when it issues a precept to a billing authority for a year, supply the billing authority with the information specified in paragraph (4); and
 - (d) the Greater London Authority shall, subject to paragraphs (6) and (7) when it issues a precept to a billing authority for a year, supply the billing authority with the information specified in paragraph (5).
- (2) The information is information as regards the precepting authority and the precept concerned, as to—
- (i) paragraph 3 of Part 1 of Schedule 3;
 - (ii) paragraphs 5 and 6 of that Part as though the words “precepting authority” were substituted for the words “billing authority” and the words “its precept issued” were substituted for the words “council tax set”; and
 - (b) the estimate mentioned in paragraph 1 of that Part.
- (3) The information is information as regards the county council and the precept concerned, as to—
- (a) the amount taken into account in making its estimate under section 43(2)(a) of the Act for any levy or special levy (as the case may be); and
 - (b) the name of every appropriate levying body which has issued a levy to it that was taken into account in calculating the amount of the precept, together with the amount of the levy and information as to whether any of it was not treated as special expenses of the council.
- (4) The information is information as regards the precepting authority and the precept concerned, as to—
- (a) the estimates for the relevant year and the previous year made for the purposes of the calculations required by section 50 of the Act; and
 - (b) a statement of the amount of the precept (if any) issued for the relevant year by each relevant local precepting authority.
- (5) The information is information, as regards the Authority and the precept concerned, as to—
- (a) the matters mentioned in—
 - (i) paragraph 4 of Part 1 of Schedule 3;
 - (ii) paragraphs 5 and 6 of that Part as though the words “Greater London Authority” were substituted for the words “billing authority”; and
 - (b) the estimate mentioned in paragraph 2 of that Part.
- (6) Information need not be supplied when a substitute precept is issued to a billing authority if it is not one which would require the billing authority to set a substitute amount or amounts under section 31 of the Act; but if in such a case the billing authority subsequently notifies the precepting authority that it has set or proposes to set an amount or amounts for council tax by reference to the substitute precept, the precepting authority shall subject to paragraphs (7) and (8), supply that information as regards the substitute precept as soon as practicable after that notification is given.

(7) Information need not be supplied as regards the issue of a substitute precept for a financial year insofar as it would be repetitive of information given in respect of the preceding financial year on the occasion of the issue of the earlier precept for the first-mentioned financial year.

(8) Information need not be supplied by a local precepting authority if, by virtue of the proviso to the definition of “relevant precepting authority” in paragraph 4 of Part 3 of Schedule 3, it would not fall to be supplied by the billing authority when it serves a demand notice.

Supply of information by levying bodies

6.—(1) In order that a billing authority may fulfil its obligations under regulation 3, every appropriate levying body shall—

- (a) when it first issues to a county council a levy for a year, supply the billing authorities to which that county council has power to issue a precept and in whose areas the body carries out functions, the information specified in paragraph (6);
- (b) when it first issues to a billing authority a levy for a year, supply to that authority the information specified in paragraph (6).

(2) In order that a billing authority may fulfil its obligations under regulation 3, an appropriate levying body shall, after it has first issued a levy to a county council for a year, supply any billing authority to which paragraph (1) does not apply, but which notifies the body that it has set or proposes to set an amount or amounts of council tax by reference to the levy, with the information specified in paragraph (6).

(3) In order that a billing authority may fulfil the obligations under regulation 3, subject to paragraph (6), an appropriate levying body shall, after it has issued a substitute levy for a year, supply any billing authority which notifies the body that it has set or proposes to set an amount or amounts of council tax by reference to the levy, with the information specified in paragraph (6).

(4) The circumstances in which an amount of council tax is to be treated as set by reference to a levy for the purposes of paragraphs (2) and (3) include the setting of the amount by reference to an amount included in a precept, where the amount is attributable to a levy.

(5) Information shall be supplied under paragraph (2) or (3) as soon as is reasonably practicable after the notification is given.

(6) The information is a statement by the levying body as regards the levy concerned, as to—

- (a) the estimate, made for the purpose of calculating the amount of any levy issued to the billing authority or (as the case may be) to a county council which, as regards the billing authority, is a relevant precepting authority, of the aggregate of its gross expenditure for the relevant year for the services administered by it;
- (b) the estimate, made for the purpose of calculating the amount of any levy issued to the billing authority or (as the case may be) to a county council which, as regards the billing authority, is a relevant precepting authority, of the aggregate of its gross expenditure for the preceding year for the services administered by it;
- (c) the amount of the levy for the relevant year;
- (d) the amount of the levy, if any, for the preceding year;
- (e) the reasons, in the opinion of the levying body for the difference, if any, between the amounts—
 - (i) stated in accordance with paragraphs (a) and (b); and
 - (ii) stated in accordance with paragraphs (c) and (d).

(7) Information need not be supplied as regards a substitute levy for a financial year insofar as it would be repetitive of information given in respect of the preceding financial year on the occasion of the issue of the earlier levy for the first-mentioned financial year.

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Signed by authority of the First Secretary of State

6th October 2003

Nick Raynsford
Minister of State,
Office of the Deputy Prime Minister

SCHEDULE 1

Regulation 3(1)

MATTERS TO BE CONTAINED IN COUNCIL TAX DEMAND NOTICES

1. A statement of the name (if any) of the person to whom the notice is given.
2. A statement of the date of issue of the notice.
3. A statement of the period to which the notice relates.
4. A statement of the address of the dwelling to which the notice relates (“the relevant dwelling”).
5. A statement of the relevant valuation band as regards the relevant dwelling.
- 6.—(1) Subject to sub-paragraph (3), a statement as regards—
 - (a) the relevant year;
 - (b) the category of dwellings which includes the relevant dwelling; and
 - (c) the relevant valuation band;of the matters set out in sub-paragraph (2).
 - (2) The matters referred to in sub-paragraph (1) are the amounts—
 - (a) set by the billing authority in accordance with section 30 of the Act;
 - (b) calculated by the billing authority in accordance with 36 of the Act; and
 - (c) stated, in the case of each major precepting authority which has issued a precept to the billing authority in accordance with section 40 of the Act, as the amount calculated in accordance with section 47 of the Act, or, in the case of the Greater London Authority, in accordance with sections 88 and 89 of the Greater London Authority Act 1999⁽⁹⁾.
 - (3) Where the billing authority provides a statement of—
 - (a) the amount calculated in respect of a precept or anticipated amount or amount otherwise taken into account (as the case may be) as payable for the relevant year, for the relevant valuation band, and for a dwelling in the category of dwellings which includes the relevant dwelling in accordance with paragraph (8); and
 - (b) the amount mentioned in sub-paragraph (2)(b) less the amount mentioned in sub-paragraph (3)(a);it need not provide a statement of the amount mentioned in sub-paragraph (2)(b).
- 7.—(1) Subject to sub-paragraphs (2), (3) and (4), a statement as regards—
 - (a) the relevant year;
 - (b) the category of dwellings which includes the relevant dwelling; and
 - (c) the relevant valuation band;of the percentage change, shown to one decimal place, between the amounts stated in accordance with paragraphs (a), (b) and (c) of sub-paragraph (2) of paragraph 6 on the demand notice served in relation to the preceding year and the amounts stated on the demand notice for the relevant year in accordance with those paragraphs.
 - (2) Where the relevant valuation band as regards the relevant dwelling for the relevant year is different from the valuation band applicable to the relevant dwelling for the preceding financial year, a statement of the percentage difference, shown to one decimal place, between:

⁽⁹⁾ 1999 (c. 29); section 88 was amended by S.I. 2002/155. Section 89 was amended by S.I. 2000/1435 and S.I. 2002/155.

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- (a) the amounts which would have been stated in accordance with paragraphs (a), (b) and (c) of sub-paragraph (2) of paragraph 6 on the demand notice served in relation to the preceding year, had the valuation band applicable to the relevant dwelling in the preceding year been the relevant valuation band applicable to the relevant dwelling in the relevant year; and
 - (b) the amounts stated in accordance with paragraphs (a), (b) and (c) of sub-paragraph (2) of paragraph 6 as regards the relevant year.
- (3) Where a billing authority provides a statement in accordance with paragraphs (a) and (b) of sub-paragraph (3) of paragraph 6 it shall provide a statement as regards—
- (a) the relevant year;
 - (b) the category of dwellings which includes the relevant dwelling; and
 - (c) the relevant valuation band;

of the percentage change, shown to one decimal place, between the amounts stated in accordance with paragraphs (a) and (c) and paragraphs (a) and (b) of sub-paragraph (3) of paragraph 6 on the demand notice served in relation to the preceding year and the amounts stated on the demand notice for the relevant year in accordance with those paragraphs.

(4) Where the billing authority provides a statement in accordance with paragraphs (a) and (b) of sub-paragraph (3) of paragraph 6 and where the valuation band as regards the relevant dwelling for the relevant year is different from the valuation band applicable to the relevant dwelling for the preceding financial year, a statement of the percentage difference, shown to one decimal place, between—

- (a) the amounts that would have been stated in accordance with paragraphs (a) and (c) of sub-paragraph (2) of paragraph 6 and paragraphs (a) and (b) of sub-paragraph (3) of paragraph 6 on the demand notice served in relation to the preceding year, had the valuation band applicable to the relevant dwelling in the preceding year been the relevant valuation band applicable to the relevant dwelling in the relevant year; and
- (b) the amounts stated in accordance with paragraphs (a) and (c) of sub-paragraph (2) of paragraph 6 and paragraphs (a) and (b) of sub-paragraph (3) of paragraph 6 as regards the relevant year.

8. Where an amount calculated as mentioned in paragraph (b) of sub-paragraph (2) of paragraph 6 takes account of—

- (a) the amount of any precept issued to the billing authority by a local precepting authority; or
- (b) an amount anticipated by the billing authority, as regards any local precepting authority, in accordance with regulations under section 41 of the Act; or
- (c) an amount—
 - (i) specified in an order under Part 2 (local government changes for England) of the Local Government Act 1992⁽¹⁰⁾, and
 - (ii) by virtue of article 3(2) of the Local Government Finance (Miscellaneous Provisions) (England) Order 1993⁽¹¹⁾, taken into account by the billing authority in making calculations under section 32 of the Act,

a statement specifying the name of the local precepting authority concerned and either the amount of its precept or (as the case may be) the amount anticipated or otherwise taken into account or the amount calculated in respect of that precept or anticipated amount or amount otherwise taken into account (as the case may be) as payable for the relevant year, for the relevant valuation band, and for a dwelling in the category of dwellings which includes the relevant dwelling.

⁽¹⁰⁾ 1992 (c. 19)

⁽¹¹⁾ S.I. 1993/22.

9. A statement of the days (if any) as regards which it was assumed that the amount required to be paid under the notice would fall to be calculated by reference to—

- (a) section 11 of the Act;
- (b) the Council Tax (Reductions for Disabilities) Regulations 1992⁽¹²⁾; or
- (c) the Council Tax Benefit (General) Regulations 1992⁽¹³⁾.

10. Where a statement falls to be given as mentioned in paragraph 9 by reason of the matter referred to in sub-paragraph (a) of that paragraph—

- (a) a statement of the basis on which the authority assumed that the chargeable amount for the relevant year was or should be subject to a discount of an amount equal to the appropriate percentage or twice the appropriate percentage (as the case may be); and
- (b) a statement that if at any time before the end of the financial year following the relevant year the person to whom the notice is issued has reason to believe that the chargeable amount for the relevant year is not in fact subject to any discount or is subject to a discount of a smaller amount, he is required, within the period of 21 days beginning on the day on which he first had that belief, to notify the authority of it, and
- (c) a statement that if the person fails without reasonable excuse to comply with a requirement contained in a statement pursuant to sub-paragraph (b), the authority may impose on him a penalty of £50.

11. Where a statement falls to be given as mentioned in paragraph 9 as regards a matter referred to in either sub-paragraph (b) or (c) of that paragraph, a statement of the amount of the reduction applicable to that matter.

12. A statement of the amount (if any) falling to be credited against the amount of council tax which would otherwise be payable for the relevant year.

13. A statement of the amount of—

- (a) any penalty or penalties; or
- (b) any overpayment of council tax benefit;

being recovered under the notice.

14. Where—

- (a) the notice requires the payment of an amount of council tax in respect of the relevant dwelling and a financial year or years preceding the relevant year; and
- (b) there has not previously been served on the person to whom the notice is issued a council tax demand notice requiring the payment of that amount;

a statement of that amount.

15. A statement of the amount required to be paid under the notice, together with a statement of the instalments or other payments required to be paid and the manner in which those payments may be made.

16. A statement of the address and telephone number to which enquiries may be directed as to any matter of which a statement is required to be given by any of the foregoing paragraphs.

17. Explanatory notes, which shall include—

- (a) a general indication of the principles relevant to the compilation of the authority's valuation list;

⁽¹²⁾ S.I. 1992/554 to which there are amendments not relevant to these Regulations.

⁽¹³⁾ S.I. 1992/1814 to which there are amendments not relevant to these Regulations.

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- (b) a general indication as to the circumstances in which—
 - (i) a dwelling may be an exempt dwelling for the purposes of Part 1 of the Act;
 - (ii) an amount may be subject to a discount under section 11 of the Act;
 - (iii) a person may be an eligible person for the purposes of the Council Tax (Reductions for Disabilities) Regulations 1992;
 - (iv) a person may be entitled to council tax benefit;
- (c) a statement as to the procedures to be followed—
 - (i) by a person who wishes to dispute any matter shown in the authority’s valuation list in relation to the dwelling to which the notice relates;
 - (ii) by a person aggrieved as mentioned in section 16(1) of the Act.

SCHEDULE 2

Regulation 3(3)

MATTERS TO BE CONTAINED IN RATE DEMAND NOTICES

PART 1

1. A statement of the address and description of each hereditament to which the notice relates (“relevant hereditament”).
2. A statement of the rateable value shown for each relevant hereditament in the authority’s local non-domestic rating list.
3. A statement of the non-domestic rating multiplier calculated for the relevant year in accordance with paragraph 3 or, as the case may be, paragraph 4 of Part 1 of Schedule 7 to the 1988 Act.
4. A statement of the days (if any) on which, for the purposes of calculating the payments required to be made under the notice, it was understood or assumed that the conditions mentioned in section 45(1) of the 1988 Act were or would be fulfilled in relation to any relevant hereditament, and a statement that as regards those days the chargeable amount is one half of that which it would be if the ratepayer were in occupation of the hereditament.
5. A statement of the days (if any) on which, for the purposes of calculating the payments required to be made under the notice it was understood or assumed that—
 - (a) the chargeable amount would fall to be calculated under section 43(5) or 45(5) of the 1988 Act;
 - (b) the chargeable amount would fall to be calculated by reference to section 44(2) and (2A) of the 1988 Act as substituted by section 44A(7) or (9) of that Act; or
 - (c) rules under section 47(1)(a) or 58(3)(a) of the 1988 Act would apply;together with a statement of the manner in which the chargeable amount for those days was calculated and of the amount by which the aggregate amount demanded under the notice is reduced as compared with the amount which would have been demanded if section 43(4), without modification, and (so far as is relevant) section 44(2) without substitution, or (as the case may be) section 45(4), applied to the calculation of the chargeable amount for those days.
6. Explanatory notes in the following terms—

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. The money, together with revenue from council tax payers, 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.

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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 ODPM website at www.local.regions.odpm.gov.uk/busrats/guide/index.htm.

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 the ODPM website at www.local.regions.odpm.gov.uk/busrats/guide/index.htm.

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.

PART 2

Modification of Part 1 in Relation to Rural Settlement Authorities

In relation to rural settlement authorities, Part 1 shall have effect as if—

- (a) in paragraph 5(a) for “section 43(5) or 45(5)” there were substituted “section 43(5) or (6A) or section 45(5)”; and
- (b) at the end of the Explanatory Notes set out in paragraph 6, there were added the following—

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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 £12000, if it is satisfied that the business is to the benefit of the community and having regard to the interests of its council taxpayers.

PART 3

1. The matters mentioned in paragraphs 1, 2, 4 and 5 of Part 1.
2. A statement of the non-domestic rating multiplier set by the Common Council for the relevant year in accordance with Part 2 of Schedule 7 to the 1988 Act.
3. Explanatory notes in the following terms—

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. The money, together with revenue from council tax payers, 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.

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 tax payers 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

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

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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 ODPM website at www.local.regions.odpm.gov.uk/busrats/guide/index.htm.

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 the ODPM website at www.local.regions.odpm.gov.uk/busrats/guide/index.htm.

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.

SCHEDULE 3

Regulation 3(4)

INFORMATION TO BE SUPPLIED WITH NOTICES

PART 1

Information to be Supplied with Council Tax Demand Notices

1. A statement, for both the relevant year and the previous financial year of the estimate made by—

- (a) the billing authority;
- (b) each relevant precepting authority except the Greater London Authority; and
- (c) each relevant levying body,

of its gross expenditure, expressed as an aggregate amount for all classes of services administered by it.

2. In relation to a London billing authority, the estimate for the relevant year and the previous financial year, made by the Greater London Authority (“the Authority”) of the aggregate gross expenditure of each constituent body for services administered by that body.

3. A statement, for both the relevant year and the previous financial year of the amount calculated by—

- (a) the billing authority; and
- (b) each relevant precepting authority except the Greater London Authority

as the amount of its budget requirement.

4. In relation to a London billing authority, the amount calculated under section 85(8) (consolidated budget requirements of the Greater London Authority) of the 1999 Act for both the relevant year and the preceding year.

5. A statement of the reasons, in the opinion of the billing authority, for the difference, if any, between the amounts stated in accordance with paragraphs 1 and 3 or 2 and 4 for the relevant year and the previous financial year.

6. A statement of the effect, in the opinion of the billing authority, of—

- (a) its budget requirement; and
- (b) its estimate of its aggregate gross expenditure for services administered by the authority,

upon the level of council tax set for the relevant year.

7. A statement of the effect, in the opinion of each relevant precepting authority of its—

- (a) budget requirement;
- (b) estimate of its aggregate gross expenditure for services administered by it

upon the level of its precept issued for the relevant year.

8. Where an amount is being recovered under the notice concerned in respect of a penalty but the person to whom the notice is issued has not previously been informed of the ground on which the penalty is imposed, a statement of that ground.

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PART 2

Information to be supplied with Rate Demand Notices

1. The information mentioned in paragraphs 1 to 5 of Part 1.

PART 3

Interpretation, etc

1. For the purposes of paragraphs 1 and 2 of Part 1, the gross expenditure of an authority or body in respect of a service for a year is the sum of all items of the authority charged to a revenue account for the year attributable to that service, but does not include allowances for contingencies or contributions to financial reserves.

2. The estimates for the relevant year and for the preceding year, to be supplied pursuant to paragraphs 1 and 2 of Part 1 are—

- (a) as regards the billing authority, estimates made for the purposes of the calculations required by section 32 of the Act;
- (b) as regards a relevant major precepting authority, estimates made for the purposes of the calculations required by section 43 of the Act or section 85 of the 1999 Act;
- (c) as regards a relevant local precepting authority, estimates made for the purposes of the calculations required by section 50 of the Act; and
- (d) as regards a relevant levying body, estimates made for the purpose of calculating the amount of any levy issued to the billing authority or (as the case may be) to a county council which, as regards the billing authority, is a relevant major precepting authority.

3. For the purposes of paragraphs 3 and 4 of Part 1, references to an authority's budget requirement are references to the amount calculated by the authority under section 32(4) of the Act or, as the case may be, section 43(4) or section 50(4) of the Act or section 85 of the 1999 Act.

4. In this Schedule—

“the 1999 Act” means the Greater London Authority Act 1999;

“constituent body” has the same meaning as in section 85(3) of the 1999 Act;

“London billing authority” means the council of a London borough and the Common Council;

“relevant levying body” means an appropriate levying body which—

- (a) has issued a levy to the billing authority for the relevant year which was taken into account when the authority made the calculations required by section 32 of the Act; or
- (b) has issued a levy to a county council for the relevant year, which was taken into account when the council made the calculations required by section 43 of the Act; and

“relevant precepting authority” means a precepting authority which has issued a precept to the billing authority for the relevant year; and “relevant local precepting authority” and “relevant major precepting authority” shall be construed accordingly; except that in paragraph 1 of Part 1, “relevant precepting authority” does not include—

- (a) where the amount of the precept in question does not exceed £100,000, a parish council, the sub-treasurer of the Inner Temple or the under-treasurer of the Middle Temple,
- (b) the chairman of a parish meeting or charter trustees.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations replace with the substantive changes mentioned below and minor drafting changes, the Council Tax and Non-Domestic Rating (Demand Notices) (England) Regulations 1993 as regards England only and with respect to financial years beginning on or after 1st April 2004.

A council tax demand notice must, among other matters, identify the dwelling to which it relates, specify the valuation band applicable to the dwelling and explain, by reference to any discounts, reductions and benefit assumed to be applicable, how the amount required to be paid has been calculated (regulation 3(1) and Schedule 1). It must include information as to the amount of council tax for the relevant year calculated by the billing authority for itself and by each major precepting authority and the total amount of council tax. Billing authorities must also include information as to the annual percentage changes in council tax between the previous year and the relevant year. This should be done for the separate amounts of council tax calculated by the billing authority for itself and by each major precepting authority, and the total amount.

Three substantive changes to the Council Tax and Non-Domestic Rating (Demand Notices) (England) Regulations 1993 are contained in Schedule 1.

Where a billing authority provides a statement on the demand notice of the per dwelling amount in respect of any local precept taken into account in the calculations of the council tax payable for that dwelling in accordance with paragraph 8 of Schedule 1 to the Regulations and a statement of the amount calculated by the billing authority in accordance with section 36 of the Local Government Finance Act 1992 less the per dwelling amount of any local precept, it need not provide a statement of the amount calculated by the billing authority in accordance with section 36 of the Local Government Finance Act 1992.

Where such statements are provided, statements as to the annual percentage changes in council tax between the previous year and the relevant year shall be given for the per dwelling amount of the local precept and for the amount calculated in accordance with section 36 of the Local Government Finance Act 1992 less the per dwelling amount of any local precept, rather than a statement as to the annual percentage changes in council tax between the previous year and the relevant year for the total amount calculated in accordance with section 36 of the Local Government Finance Act 1992.

Where the dwelling is in a different valuation band in the relevant year from the preceding year, paragraph 7(4) of Schedule 1 requires the relevant percentage differences to be shown between the amounts calculated in the relevant year and the preceding year for the band the dwelling is in in the relevant year.

A rate demand notice must identify the hereditament to which it relates (including its rateable value), explain how the amount required to be paid has been calculated and contain explanatory notes (regulation 3(3) and Schedule 2.)

Further information must accompany council tax demand notices and rate demand notices (regulation 3(4) and Schedule 3). This will, amongst other matters, give a simple breakdown of the gross expenditure of the billing authority and of relevant precepting authorities and levying bodies for the year to which the notice relates and the previous financial year.

Where a council tax demand notice or rate demand notice is invalid because it fails to contain the requisite matters, the demand for payments under it will remain effective provided that payments were properly calculated (regulation 4). In such cases, the billing authority must give the council tax payer or ratepayer (as the case may be) a correct statement of the relevant matters.

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In order to enable a billing authority to include the prescribed matters in its demand notices, or to supply the further information mentioned above when it serves the notices, the Regulations require precepting authorities and levying bodies concerned to supply the billing authority with appropriate information (regulations 5 and 6).