

LOCALISM ACT 2011

EXPLANATORY NOTES

COMMENTARY

Part 4: Non-Domestic Rates

Section 68: Ballot for imposition and certain variations of a business rate supplement

158. **Section 68** amends the Business Rate Supplements Act 2009 to provide that all proposals for the imposition of a Business Rate Supplement will require approval by a ballot of all persons eligible to vote, as opposed to the current position where a ballot is only required if the Business Rate Supplement is to fund more than one third of the total cost of the project to which the Business Rate Supplement relates. *Subsection (6)* also requires that certain further information about the result of any ballot is to be published in the initial and final prospectuses for the Business Rate Supplement. The amendments do not apply in relation to a Business Rate Supplement that has already been imposed as the time the amendments come into force (whether or not the Business Rate Supplement is payable at that time)

Section 69: Non-domestic rates: discretionary relief

159. **Section 69** amends section 47 of the Local Government Finance Act 1988 to replace the limited circumstances in which local authorities can currently give discretionary relief with a power to grant relief in any circumstances. This is subject to the condition that, except in the limited circumstances specified, the local authority may only grant relief if it would be reasonable to do so having regard to the interests of council tax payers in its area. The amendments also require a local authority to have regard to any relevant guidance issued by the Secretary of State (or, in relation to Wales, the Welsh Ministers) when deciding whether to grant relief under section 47 of the 1988 Act. Section 69 also, in limited circumstances associated with changes to section 47 of the 1988 Act, removes the statutory deadline by which amendments need to be made to non-domestic rating contributions regulations for the 2012-13 financial year.

Section 70: Small business relief

160. **Section 70** amends section 43 of the Local Government Finance Act 1988 to enable the Secretary of State to make provision for a new small business rate relief scheme (made under that section) which does not require ratepayers to apply for small business rate relief in some or all cases. In those cases (if any) where an application is required, it will still be a criminal offence if the applicant knowingly or recklessly makes a false statement in that application

Section 71 - Cancelling of liability to backdated non-domestic rates

161. **Section 71** amends the Local Government Finance Act 1988 to provide a power for the Secretary of State to prescribe by regulations conditions for the cancellation of certain backdated non-domestic rates, but only where a property is shown in a local non-

*These notes refer to the Localism Act 2011 (c.20)
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domestic rating list compiled on 1st April 2005 as the result of an alteration of the list made after the list was compiled. The regulations are subject to the negative procedure.