
STATUTORY INSTRUMENTS

1993 No. 191

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

**The Council Tax and Non-Domestic Rating
(Demand Notices) (England) Regulations 1993**

<i>Made</i>	- - - -	<i>4th February 1993</i>
<i>Laid before Parliament</i>		<i>4th February 1993</i>
<i>Coming into force</i>	- -	<i>15th February 1993</i>

The Secretary of State, in exercise of the powers conferred upon 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 1993 and shall come into force on 15th February 1993.

(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);

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

(a) to issue a levy to the billing authority, or

(1) 1988 c. 41; relevant amendments to Schedule 9 were made by paragraph 44 of Schedule 5 to the Local Government and Housing Act 1989 (c. 42), and by paragraph 87 of Schedule 13 to the Local Government Finance Act 1992 (c. 14).

(2) 1992 c. 14.

(3) S.I. 1992/613, amended by S.I. 1992/3008.

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

“appropriate precepting authority”, in relation to a billing authority, means an authority which has power to issue a precept to the billing authority; and “appropriate local precepting authority” and “appropriate major precepting authority” shall be construed accordingly;

“billing authority” means an English billing authority;

“the Collection Regulations” means the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989 (4);

“council tax demand notice” means a demand notice within the meaning of Part V of the Administration Regulations which is served by a billing authority;

“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 II of the Collection Regulations which is served by a billing authority (including such a notice served pursuant to Part II of the Non-Domestic Rating (Collection and Enforcement) (Miscellaneous Provisions) Regulations 1990 (5) (joint owners and occupiers));

“the relevant tax”, in relation to a notice and a dwelling, means the amount (other than a nil amount) which, for the relevant year and for dwellings in the relevant valuation band, has been set by the billing authority for its area or (as the case may be) the part of its area in which the dwelling is situated;

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

“specific grants” means grants or subsidies which fall to be credited to a revenue account and which are paid out of monies provided by Parliament, other than grants or subsidies which fall to be paid into a collection fund pursuant to section 90(1) of the 1988 Act(6).

(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—

(a) in the billing authority’s valuation list; or

(b) if no such list is in force—

(i) except in a case to which paragraph (4) applies, in the copy of the proposed list supplied to the authority under section 22(5)(b) of the Act;

(ii) in a case to which paragraph (4) applies, in information which for the purposes of this paragraph is relevant information.

(4) This paragraph applies where the listing officer(7) supplies the authority with information relating to property shown in the proposed list (including information relating to the application to such property of article 3 or 4 of the Council Tax (Chargeable Dwellings) Order 1992(8)); and such information is relevant information for the purposes of paragraph (3) to the extent that it differs from information contained in the proposed list.

(4) S.I. 1989/1058; relevant amendments were made by S.I. 1990/145, S.I. 1991/141 and S.I. 1992/1512.

(5) S.I. 1990/145.

(6) Section 90 was substituted by paragraph 20 of Schedule 10 to the Local Government Finance Act 1992.

(7) See the definition in section 69(1) of the Local Government Finance Act 1992.

(8) S.I. 1992/549.

Application of Regulations

2. These Regulations apply in relation to council tax demand notices and rate demand notices served by an English billing authority with respect to financial years beginning on or after 1st April 1993.

Content of demand notices, etc.

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

(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 16 of Schedule 1.

(3) A rate demand notice—

- (a) served by the Common Council, shall contain the matters mentioned in Part II of Schedule 2;
- (b) served by any other billing authority, shall contain the matters mentioned in Part I of that Schedule.

(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 I 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 II of that Schedule; and Part III of that Schedule (interpretation, etc.) shall have effect for the purposes of those Parts I and II.

(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, so 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 so to comply was due to a mistake, and
- (c) the amounts required to be paid under the notice were demanded in accordance with Part V 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) of that paragraph,
- (b) the failure so to comply was due to a mistake, and
- (c) the amounts required to be paid under the notice were demanded in accordance with Part II 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 (5) to (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 (5) to (7), when it issues a precept as so mentioned, supply the billing authority with the information specified in paragraphs (2) and (3);
- (c) every appropriate local precepting authority shall, subject to paragraphs (5) to (8), when it issues a precept as so mentioned, supply the billing authority with the information specified in paragraph (4).

(2) The information is information, as regards the precepting authority and the precept concerned, as to—

- (a) the estimates mentioned in paragraphs 1, 8 and 10 of Part I of Schedule 3; and
- (b) the matters mentioned in paragraphs 4, 5, 6 and 9 of that Part.

(3) The information is information, as regards the county council and the precept concerned, as to—

- (a) the matter mentioned in paragraph 7 of Part I of Schedule 3; 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 estimate mentioned in paragraph 1 of Part I of Schedule 3; and
- (b) the matter mentioned in paragraph 3(1)(a) of that Part.

(5) Information need not be supplied as regards the issue of a precept for a financial year beginning on or after 1st April 1994, with respect to the estimates mentioned in paragraphs 1 and 10 of Part I of Schedule 3 insofar as that information would (by virtue of paragraph 3 of Part III of that Schedule) be repetitive of information given as regards a precept issued for the preceding financial year.

(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 its council tax by reference to the substitute precept, the precepting authority shall (subject to paragraphs (5), (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 8 of Part III of Schedule 3, it would not fall to be supplied by the billing authority when it serves a demand notice.

Supply of information by the Secretary of State

6.—(1) In order that a billing authority may fulfil its obligations under regulation 3, the Secretary of State shall as soon as practicable after the House of Commons has approved the finance report for the financial year concerned notify the billing authority of—

- (a) the adjusted resident population of its area; and
 - (b) the adjusted resident population of the area of each authority which, as regards the billing authority, is an appropriate major precepting authority.
- (2) For the purposes of paragraph (1)—

“the finance report”, in relation to a financial year, means the local government finance report for that year made by the Secretary of State under section 78A of the 1988 Act (9) and approved by resolution of the House of Commons; and

“adjusted resident population”, in relation to an area and an authority, means the number determined by the Secretary of State for the area of that authority by reference to—

- (a) the estimate of the total resident population of the area supplied to him by the Registrar General for the purposes of the calculation of the amount to be paid to the authority by way of revenue support grant for the year in question (10); and
- (b) such adjustment to that estimate as is in the opinion of the Secretary of State appropriate in consequence of any order under Part IV (changes in local government areas) of the Local Government Act 1972 (11) which provides for the transfer, on the first day of that year, of an area from the area of one authority to that of another authority.

Supply of information by levying bodies

7.—(1) In order that a billing authority may fulfil its obligations under regulation 3, subject to paragraph (7)—

- (a) every appropriate levying body other than a passenger transport authority shall, when it first issues a levy to an English county council or a billing authority for a year, supply the billing authorities to which the county council concerned has power to issue a precept and in whose areas the body carries out functions, or (as the case may be) the billing authority to which the levy is issued, with the information specified in paragraph (5); and
- (b) every appropriate levying body which is a passenger transport authority shall, when it first issues a levy to a billing authority for a year, supply that authority with the information specified in paragraphs (5) and (6).

(2) In order that a billing authority may fulfil the obligations mentioned in paragraph (1), subject to paragraph (7), an appropriate levying body shall, after it has first issued a levy to an English 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 (5).

(3) In order that a billing authority may fulfil the obligations mentioned in paragraph (1), subject to paragraphs (7) and (8), 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 (5) and, where the body is a passenger transport authority, paragraph (6).

(9) Section 78A is inserted by paragraph 10 of Schedule 10 to the Local Government Finance Act 1992.

(10) See section 82(1) of the Local Government Finance Act 1988, as substituted by paragraph 13 of Schedule 10 to the Local Government Finance Act 1992.

(11) 1972 c. 70.

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

(5) The information is information, as regards the levying body and the levy concerned, as to—

(a) the estimate mentioned in paragraph 2 of Part I of Schedule 3; and

(b) the matters mentioned in paragraphs 3(1)(d), 5 and 6 of that Part.

(6) The information is information as regards the passenger transport authority and the levy concerned, as to the estimate mentioned in paragraph 10 of Part I of Schedule 3.

(7) Information need not be supplied as regards the issue of a levy for a financial year beginning in or after 1994, with respect to the estimates mentioned in paragraphs 2 and 10 of Part I of Schedule 3 insofar as that information would (by virtue of paragraph 3 of Part III of that Schedule) be repetitive of information given as regards a levy issued for the preceding financial year.

(8) 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.

(9) 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.

Department of the Environment

4th February 1993

Michael Howard
One of Her Majesty's Principal Secretaries of
State

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 **(12)**.
2. A statement of the day 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) 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 amount—
 - (i) set by the billing authority in accordance with section 30 of the Act,
 - (ii) calculated by the billing authority in accordance with section 36 of the Act, and
 - (iii) stated by 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.
- (2) Where the notice is served before 1st April 1993, a dwelling shall be treated as included in the category in which, in the opinion of the billing authority, it will be included on 1st April 1993.
7. Where an amount calculated as mentioned in paragraph 6(1)(ii) 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 IV (changes in local government areas) of the Local Government Act 1972**(13)**, and
 - (ii) by virtue of article 3(2) of the Local Government Finance (Miscellaneous Provisions) (England) Order 1993**(14)**, 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 the amount of its precept or (as the case may be) the amount anticipated or otherwise taken into account.
8. 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**(15)**;
 - (c) the Council Tax (Transitional Reduction Scheme) (England) Regulations 1993**(16)**; or

(12) See regulation 2(3) of the Council Tax (Administration and Enforcement) Regulations 1992 (S.I. [1992/613](#)).

(13) 1972 c. 70.

(14) S.I. [1993/22](#).

(15) S.I. [1992/554](#).

(16) S.I. [1993/175](#).

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

(d) the Council Tax Benefit (General) Regulations 1992⁽¹⁷⁾.

9. Where a statement falls to be given as mentioned in paragraph 8 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.

10. Where a statement falls to be given as mentioned in paragraph 8 as regards a matter referred to in any of sub-paragraphs (b) to (d) of that paragraph, a statement of the amount of the reduction applicable to that matter.

11. 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.

12. A statement of the amount of—

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

being recovered under the notice.

13. Where—

- (a) the notice requires the payment of an amount of council tax in respect of the relevant dwelling and a financial year 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.

14. 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.

15. 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.

16. Explanatory notes, which shall include—

- (a) a general indication of the principles relevant to the compilation of the authority's valuation list;
- (b) a general indication as to the circumstances in which—
 - (i) a dwelling may be an exempt dwelling for the purposes of Part I of the Act;
 - (ii) an amount may be subject to a discount under section 11 of the Act;

(17) S.I. 1992/1814.

- (iii) a person may be an eligible person for the purposes of the Council Tax (Reductions for Disabilities) Regulations 1992 or the Council Tax (Transitional Reduction Scheme) (England) Regulations 1993;
- (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 I

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 I 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 **(18)** 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 under section 43(4) or (5) or 45(4) or (5) of the 1988 Act as modified by paragraph 9 of Schedule 7A to that Act **(19)** or by regulation 3 of the Non-Domestic Rating (Transitional Period) Regulations 1990 **(20)**, or
 - (c) 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 **(21)**, or
 - (d) rules under section 47(1)(a) or 58(3)(a) of the 1988 Act **(22)** would apply;

(18) Section 45(1) was amended by paragraph 23 of Schedule 5 to the Local Government and Housing Act 1989 (c. 42).

(19) Schedule 7A was inserted by paragraph 40 of Schedule 5 to the Local Government and Housing Act 1989 (c. 42) and amended by paragraph 85 of Schedule 13 to the Local Government Finance Act 1992 and sections 1 to 3 of the Non-Domestic Rating Act 1992 (c. 46).

(20) S.I.1990/608, to which there are amendments not relevant to these Regulations.

(21) Section 44(2) was amended, and section 44A inserted, by paragraphs 21 and 22, respectively, of Schedule 5 to the Local Government and Housing Act 1989.

(22) Section 47(1)(a) is amended by paragraph 65(1) of Schedule 13 to the Local Government Finance Act 1992.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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 collected by billing authorities (district and London borough councils, the Common Council of the City of London and the Council of the Isles of Scilly) are, subject to special arrangements for the City of London, paid into a central pool and redistributed to billing authorities and major precepting authorities. Your authority's share of redistributed rate income, together with income from its council taxpayers, revenue support grant provided by the Government and certain other sums, is used to pay for the services provided by your authority and other local authorities in your area.

Rateable Value

The rateable value of non-domestic property, which is fixed in most cases by the Inland Revenue valuation officer, represents the annual open market rental value of the property at 1st April 1988. The values of all property in respect of which rates are payable to your authority are shown in the local rating list, a copy of which may be inspected at *name and address of local valuation office* and *name and address of billing authority*.

The valuation officer may alter the value if he believes that the circumstances of the property have changed. The ratepayer (and certain others who have an interest in the property) may also in certain circumstances propose a change in value. If in any case the ratepayer and the valuation officer do not agree, the matter will be referred as an appeal to a valuation tribunal. Information about the circumstances in which a change in a rateable value may be proposed and how such a proposal may be made is available from the valuation office shown above.

National Non-Domestic Rating Multiplier

The national non-domestic rating multiplier is the rate in the pound by which, outside the City of London where special arrangements apply, the rateable value is multiplied to produce the annual rate bill for a property. It is set annually by the Government and cannot, by law, rise by more than the amount of the increase in the retail prices index.

Transitional Arrangements

For some properties, transitional arrangements will continue to phase in the effect of the change to the non-domestic rating system introduced on 1st April 1990. Where appropriate, these arrangements will operate until 1994-95 and may be extended to later years. There are limits on the percentage by which bills may increase each year. There are special rules dealing with changes in rateable value and the merger or splitting of existing properties. Further information about transitional arrangements may be obtained from *name of billing authority*.

Unoccupied Property Rating

Non-domestic properties which are unoccupied may be liable to empty property rates. Rates are charged at 50 per cent of the full rate bill or of the transitional bill where the transitional arrangements apply. Liability begins after the property has been empty for 3 months. Certain types of property, for instance factories and warehouses, are exempt from empty property rates.

Charitable and Discretionary Relief

Charities are entitled to relief from rates on any non-domestic property which is wholly or mainly used for charitable purposes. Relief is given at 80 per cent of the full rate bill or of the transitional bill where the transitional arrangements apply. Billing authorities have discretion to remit all or part of the remaining 20 per cent of a charity's bill on such property.

Authorities also have discretion to remit all or part of any rate bill in respect of property occupied by certain bodies not established or conducted for profit.

Italics indicate words to be inserted.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

PART II

1. The matters mentioned in paragraphs 1, 2, 4 and 5 of Part I.
2. A statement of the non-domestic rating multiplier set by the Common Council for the relevant year in accordance with Part II of Schedule 7 to the 1988 Act **(23)**.
3. Explanatory notes in the following terms—

(23) Part II of Schedule 7 is amended by paragraph 5 of Schedule 10 to the Local Government Finance Act 1992.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTES

Non-Domestic Rates

The non-domestic rates collected by billing authorities (district and London borough councils, the Common Council of the City of London and the Council of the Isles of Scilly) are, subject to the special arrangements for the City of London described below, paid into a central pool and redistributed to billing authorities and major precepting authorities. The Common Council's share of redistributed rate income, together with income from its council taxpayers, revenue support grant provided by the Government and certain other sums, is used to pay for the services provided by the Council and other local authorities in your area.

Special Arrangements for the City of London

Because of its special circumstances—notably its very small resident population and its high daytime population—the Common Council 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 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

The rateable value of non-domestic property, which is fixed in most cases by the Inland Revenue valuation officer, represents the annual open market rental value of the property at 1st April 1988. The values of all property in respect of which rates are payable to the Common Council are shown in the local rating list, a copy of which may be inspected at *name and address of local valuation office and address of the Common Council*.

The valuation officer may alter the value if he believes that the circumstances of the property have changed. The ratepayer (and certain others who have an interest in the property) may also in certain circumstances propose a change in value. If in any case the ratepayer and the valuation officer do not agree, the matter will be referred as an appeal to a valuation tribunal. Information about the circumstances in which a change in a rateable value may be proposed and how such a proposal may be made is available from the valuation office shown above.

Transitional Arrangements

For some properties, transitional arrangements will continue to phase in the effect of the change to the non-domestic rating system introduced on 1st April 1990. Where appropriate, these arrangements will operate until 1994–95 and may be extended to later years. There are limits on the percentage by which bills may increase each year. There are special rules dealing with changes in rateable value and the merger or splitting of existing properties. Further information about transitional arrangements may be obtained from the Common Council.

Unoccupied Property Rating

Non-domestic properties which are unoccupied may be liable to empty property rates. Rates are charged at 50 per cent of the full rate bill or of the transitional bill where the transitional arrangements apply. Liability begins after the property has been empty for 3 months. Certain types of property, for instance factories and warehouses, are exempt from empty property rates.

Charitable and Discretionary Relief

Charities are entitled to relief from rates on any non-domestic property which is wholly or mainly used for charitable purposes. Relief is given at 80 per cent of the full rate bill or of the transitional bill where the transitional arrangements apply. The Common Council has discretion to remit all or part of the remaining 20 per cent of a charity's bill on such property.

The Common Council also has discretion to remit all or part of any rate bill in respect of property occupied by certain bodies not established or conducted for profit.

Italics indicate words to be inserted.

SCHEDULE 3

Regulation 3(4)

PART I

INFORMATION TO BE SUPPLIED WITH COUNCIL TAX DEMAND NOTICES

1. The estimate of the billing authority and of each relevant precepting authority, of its gross expenditure for the relevant year and the preceding year for each class of service administered by the authority, and if the authority concerned administers more than one such class of service, a statement of the aggregate of its gross expenditure for all the classes administered by it.

2. The estimate of each relevant levying body of the aggregate of its gross expenditure for the relevant year and the preceding year for the services administered by it.

3.—(1) A statement—

- (a) of the amount of the precept (if any) issued for the year by each relevant local precepting authority;
- (b) where a precept has been anticipated by the billing authority pursuant to regulations under section 41(3) of the Act, of the amount so anticipated;
- (c) where, by virtue of the Local Government Finance (Miscellaneous Provisions) (England) Order 1993 (24) a billing authority has taken into account an amount specified in an order under Part IV of the Local Government Act 1972, of the amount so specified; and
- (d) of the amount of the levy for the year of each relevant levying body.

(2) Where information is supplied in accordance with any of sub-paragraphs (a) to (c) of paragraph (1), a statement of the amount of the precept, the amount anticipated or the amount specified (as the case may be), expressed as an amount applicable to dwellings listed in valuation band D.

4. A statement, expressed in each case as an aggregate amount and as an amount per head, of—

- (a) the amount calculated by the billing authority and each relevant major precepting authority as the amount of its budget requirement for the relevant year;
- (b) the sums estimated by the billing authority and each relevant major precepting authority to be payable to it for the year by way of—
 - (i) revenue support grant (25) (or, if the amount of such grant falls to be adjusted following the approval by resolution of the House of Commons of an amending report, the amount which would be so payable but for that report);
 - (ii) additional grant (26); and
 - (iii) redistributed non-domestic rates (27);
- (c) the amount calculated for the relevant year by the billing authority and each relevant major precepting authority as the amount of the difference (whether positive or negative) between—
 - (i) the amount of its budget requirement for that year; and

(24) S.I. 1993/22.

(25) See the definition in section 69(1) of the Local Government Finance Act 1992.

(26) See the definition in section 69(1) of the Local Government Finance Act 1992. Section 85(2) of the Local Government Finance Act 1988 is amended by paragraph 16 of Schedule 10 to the Local Government Finance Act 1992.

(27) See the definition in section 69(1) of the Local Government Finance Act 1992. Paragraphs 12 and 15 of Schedule 8 to the Local Government Finance Act 1988 are in Part III of that Act which is substituted by paragraph 7 of Schedule 10 to the Local Government Finance Act 1992.

- (ii) the amount calculated by it for that year as the amount for item P in section 33(1) or, as the case may be, section 44(1) of the Act;
- (d) where—
 - (i) the billing authority is a special authority **(28)**; and
 - (ii) rules under sub-paragraph (1) of paragraph 4 of Part II of Schedule 8 to the 1988 Act **(29)** make such provision as is mentioned in sub-paragraph (5A) of that paragraph, the amount to be deducted for the relevant year in accordance with that provision.

5. A statement of the amount calculated by the billing authority and by each relevant major precepting authority as its budget requirement for the preceding year, and the amount of the precept or levy for that preceding year of each relevant local precepting authority or relevant levying body (as the case may be).

6. A statement of the extent to which, in the opinion of the billing authority, and of each relevant major precepting authority and relevant levying body, any difference between the amount mentioned in paragraph 3(1)(d) or, as the case may be, paragraph 4(a) and the amount mentioned in paragraph 5 for the authority is attributable to—

- (a) inflation,
- (b) differences in the grants received or expected to be received with respect to the year,
- (c) changes in the quantity of services provided by the authority or body, and
- (d) differences in the income received or expected to be received by way of fees and other charges for its services with respect to the year.

7. A statement of the amount taken into account—

- (a) by the billing authority in making its estimate under section 32(2)(a) of the Act, and
- (b) by a relevant precepting authority which is a county council in making its estimate under section 43(2)(a) of the Act,

for any levy or special levy (as the case may be).

8. A statement of the amount estimated by the billing authority and by each relevant major precepting authority as the amount equal to the aggregate of its liabilities immediately before the first day of the year preceding the relevant year, in respect of loans to or borrowing (or money borrowed) by the authority.

9. A general indication—

- (a) of the extent (if any) to which the amount estimated by the billing authority or the major precepting authority, as the case may be, pursuant to paragraph 8 is recoverable from any other billing authority or major precepting authority; and
- (b) of the amount (if any) payable by the billing authority and each relevant major precepting authority to any other billing authority or major precepting authority in connection with any such liability of that other authority as is referred to in that paragraph.

10. The estimate of the billing authority and of each relevant major precepting authority and relevant passenger transport authority of the average number of staff employed or to be employed by it with respect to the relevant year and the year preceding the relevant year (expressed in the case of part-time staff in full-time equivalents and including, in the case of the Common Council, staff employed or to be employed by it in its capacity as a police authority or port health authority) and a general explanation by the authority concerned of the reason for any difference between the two.

(28) See subsection (6) of section 144 of the Local Government Finance Act 1988; subsection (6) was amended by the Local Government Finance Act 1992, Schedule 13, paragraph 81(2):

(29) Paragraph 4 is amended by paragraph 6(1) to (5) of Schedule 10 to the Local Government Finance Act 1992.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

11. 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.

PART II

INFORMATION TO BE SUPPLIED WITH RATE DEMAND NOTICES

1. The information mentioned in paragraphs 1 to 10 of Part I above.

PART III

INTERPRETATION, ETC.

1. For the purposes of paragraphs 1 and 2 of Part I—
 - (a) 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 the service, but does not include allowances for contingencies or contributions to financial reserves; and
 - (b) the classes of service by reference to which estimates of gross expenditure are to be given under paragraph 1 of that Part are as follows—
 - (i) education;
 - (ii) social services;
 - (iii) highways;
 - (iv) police;
 - (v) fire;
 - (vi) planning and economic development;
 - (vii) recreation and tourism;
 - (viii) environmental health;
 - (ix) refuse collection and disposal;
 - (x) housing;
 - (xi) other services.
2. The estimates for the relevant year and, subject to paragraph 3 below, for the preceding year, to be supplied pursuant to paragraphs 1, 2, 6, 7 and 10 of Part I 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,
 - (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 or relevant passenger transport authority, 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 precepting authority.

3. Where the relevant year is the financial year beginning on 1st April 1993, the estimates for the preceding year to be supplied pursuant to paragraphs 1, 2, 6 and 7 of Part I are estimates made by the billing authority (as charging authority) at (or as soon as practicable after) the time of, or made for the purposes of, its calculations under section 95(2) or (3) of the 1988 Act, or (as the case may be) supplied by the relevant precepting authority, relevant levying body or relevant passenger transport authority concerned at the time of the issue of or in connection with its precept or levy, being its calculations, or the precept or levy, by reference to which the authority last set an amount under section 32, 34 or 35 of that Act for that preceding year.

4. The precept, anticipated amount and specified amount referred to in paragraphs (a), (b) and (c), respectively of sub-paragraph (1) of paragraph 3 of Part I shall be expressed in accordance with the formula—

$$\frac{S}{TP}$$

where—

S is the amount of the precept or, as the case may be, the amount anticipated or the amount specified; and

TP is the amount of the billing authority's council tax base for the part of the authority's area to which the precept or anticipated or specified amount (as the case may be) relates, as calculated for the relevant year in accordance with regulation 6 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992⁽³⁰⁾

5.—(1) For the purposes of paragraphs 4 and 5 of Part I, references to an authority's budget requirement are, subject to paragraph 6 below, references to the amount calculated by the authority under section 32(4) of the Act or, as the case may be, section 43(4) of the Act.

(2) Any requirement in paragraph 4 of Part I to express an amount as an amount per head is a requirement to divide the amount in question by the adjusted resident population of the area of the authority to which the amount relates; and for the purposes of that Part, "adjusted resident population" has the meaning assigned by regulation 6(2).

6. Where the relevant year is the financial year beginning on 1st April 1993, paragraph 5 of Part I shall have effect as if the reference to the budget requirement for the preceding year were a reference—

(a) in the case of a billing authority, to an amount equal to the aggregate of—

(i) the amount last calculated by the authority (as charging authority) under section 95(4) of the 1988 Act for that preceding year; and

(ii) the total amount of the precepts last issued to the authority for that preceding year by precepting authorities of the descriptions specified in section 144(2)(g) to (k) of the 1988 Act; and

(b) in the case of a relevant major precepting authority, to an amount equal to the aggregate of the precepts last issued by the authority for that preceding year;

and the reference to that paragraph in paragraph 6 of that Part shall be construed accordingly.

7.—(1) For the purposes of paragraph 8 of Part I—

(a) references to borrowing by an authority are references to borrowing not only under section 43 of the Local Government and Housing Act 1989⁽³¹⁾ but also under any power for the time being available to the authority under any enactment, whenever passed;

⁽³⁰⁾ S.I. 1992/612, to which there are amendments not relevant to these Regulations.

⁽³¹⁾ 1989 c. 42.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

- (b) the temporary use by an authority for a purpose other than that of the fund in question of money forming part of such superannuation fund or trust fund as is referred to in paragraph (h) or paragraph (i) of subsection (2) of section 42 of that Act shall be treated as borrowing; but, subject to that, references to borrowing do not include references to the temporary use by an authority of money forming part of a particular fund of the authority for a purpose other than that of the fund; and
- (c) an authority shall be treated—
 - (i) as incurring a liability in respect of a payment at the time when it becomes unconditionally liable to make the payment; and
 - (ii) as discharging a liability in respect of a payment at the time when it makes the actual payment, whether or not it has at that time become unconditionally liable to do so.

(2) In any case in which, under or by virtue of any enactment, all or any of the liabilities of a billing authority or a major precepting authority (“the original authority”) in respect of a loan to or borrowing (or money borrowed) by the authority have become liabilities of another billing authority or major precepting authority (“the current authority”), any reference in paragraph 8 of Part I to a loan to or borrowing (or money borrowed)—

- (a) in relation to the current authority, includes a reference to the loan to or borrowing (or money borrowed) by the original authority; and
- (b) in relation to the original authority, excludes a reference to the loan to or borrowing (or money borrowed) in respect of which the liabilities have become those of the current authority.

8. In Part I—

“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;

“relevant passenger transport authority” means a relevant levying body other than the Broads Authority or the National Rivers Authority;

“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 that Part, “relevant precepting authority” does not include a parish council, the sub-treasurer of the Inner Temple or the under-treasurer of the Middle Temple where the amount of the precept in question does not exceed £100,000, or the chairman of a parish meeting or charter trustees.

9. The circumstances in which an amount last set is to be treated as set by reference to a levy for the purposes of paragraph 3 above include the setting of the amount by reference to an amount included in a precept, where the amount so included is attributable to a levy.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations provide for the content of council tax demand notices and rate demand notices for financial years commencing with the financial year beginning on 1st April 1993 issued by billing authorities in England and for the information to be supplied with such notices.

A council tax demand notice must, amongst 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). Unless the notice relates to a financial year which has ended and is served at the same time as a council tax demand notice relating to the current financial year, it must also contain explanatory notes.

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 more detailed breakdown of the planned expenditure of the billing authority and of relevant precepting authorities and levying bodies for the year to which the notice relates.

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 the 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.

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 the Secretary of State and the precepting authorities and levying bodies concerned to supply the billing authority with appropriate information (regulations 5 to 7).