

2020 No. 133

RATING AND VALUATION, ENGLAND

**The Council Tax and Non-Domestic Rating (Demand Notices)
(England) (Amendment) Regulations 2020**

<i>Made</i>	- - - -	<i>11th February 2020</i>
<i>Laid before Parliament</i>		<i>14th February 2020</i>
<i>Coming into force</i>	- -	<i>12th March 2020</i>

The Secretary of State for Housing, Communities and Local Government makes the following Regulations in exercise of the powers conferred by section 143(1) of, and paragraphs 1 and 2(2)(gf) and (h) of Schedule 9 to, the Local Government Finance Act 1988(a).

Citation and commencement

1.—(1) These Regulations may be cited as the Council Tax and Non-Domestic Rating (Demand Notices) (England) (Amendment) Regulations 2020.

(2) These Regulations come into force on 12th March 2020.

Amendment of Schedule 2 to the Council Tax and Non-Domestic Rating (Demand Notices) (England) Regulations 2003

2.—(1) Schedule 2 (matters to be contained in rate demand notices and publication of Explanatory Notes) to the Council Tax and Non-Domestic Rating (Demand Notices) (England) Regulations 2003(b) is amended as follows.

(2) In Part 1, in paragraph 7, for the Explanatory Notes substitute the text set out at Part 1 of the Schedule to these Regulations.

(3) In Part 2A (modification of Part 1 in relation to BRS authorities), in paragraph 1(b), for the second paragraph of the note headed “Business Rate Supplements” to be inserted into the Explanatory Notes substitute—

“The business rate supplement/s as shown on your bill is/are being levied by [insert name of levying authority] in relation to [insert name of project/s to which BRS relates] project/s. Further information may be found in the BRS project prospectus, [title of final prospectus], which you can obtain from [insert name of levying authority].”.

(4) In Part 3 (special authorities), in paragraph 3, for the Explanatory Notes substitute the text set out at Part 2 of the Schedule to these Regulations.

(a) 1988 c. 41. See section 146(6) for the meaning of “prescribed”. Paragraph 1 of Schedule 9 was amended by Schedule 13 to the Tribunals, Courts and Enforcement Act 2007 (c. 15). Paragraph 2(2)(gf) was inserted by section 8(2) of the Local Government Finance Act 2012 (c. 17). Paragraph 2(2)(h) was amended by the Local Government and Housing Act 1989 (c. 42) Schedule 5, paragraph 44(3) and by section 8(3) of the Local Government Finance Act 2012.

(b) S.I. 2003/2613; relevant amending instruments are S.I. 2008/387; S.I. 2010/187; S.I. 2013/694; S.I. 2015/427; S.I. 2016/316; S.I. 2017/39; S.I. 2018/92; and S.I. 2019/101.

(5) In Part 3A (modification of Part 3 in relation to BRS), in paragraph 1(b), for the second paragraph of the note headed “Business Rate Supplements” to be inserted into the Explanatory Notes substitute—

“The business rate supplement/s as shown on your bill is/are being levied by [insert name of levying authority] in relation to [insert name of project/s to which BRS relates] project/s. Further information may be found in the BRS project prospectus, [title of final prospectus], which you can obtain from [insert name of levying authority].”.

Signed by authority of the Secretary of State for Housing, Communities and Local Government

Luke Hall

Parliamentary Under Secretary of State

Ministry of Housing, Communities and Local Government

11th February 2020

SCHEDULE

Regulation 2(2) and (4)

PART 1

Explanatory Notes for Billing Authorities

“EXPLANATORY NOTES

Non-Domestic Rates

Non-Domestic Rates, or business rates, collected by local authorities are the way that those who occupy non-domestic property contribute towards the cost of local services. Under the business rates retention arrangements introduced from 1st April 2013, authorities keep a proportion of the business rates paid locally. The money, together with revenue from council tax payers, locally generated income and grants from central government, is used to pay for the services provided by local authorities in your area. Further information about the business rates system may be obtained at: www.gov.uk/introduction-to-business-rates, at the website of your local authority which is normally shown on your rates bill, or by contacting your local authority.

Business Rates Instalments

Payment of business rates bills is automatically set on a 10-monthly cycle. However, the Government has put in place regulations that allow ratepayers to require their local authority to enable payments to be made through 12 monthly instalments. If you wish to take up this offer, you should contact your local authority as soon as possible.

National Non-Domestic Rating Multiplier

The local authority works out the business rates bill for a property by multiplying the rateable value of the property by the appropriate non-domestic multiplier. There are two multipliers: the standard non-domestic rating multiplier and the small business non-domestic rating multiplier. The Government sets the multipliers for each financial year, except in the City of London where special arrangements apply.

Ratepayers who occupy a property with a rateable value which does not exceed £50,999 (and who are neither entitled to certain other mandatory relief[s] nor liable for unoccupied property rates) will have their bills calculated using the lower small business non-domestic rating multiplier, rather than the standard non-domestic rating multiplier.

Both multipliers for this financial year are based on the previous year's multiplier adjusted to reflect the Consumer Price Index (CPI) inflation figure for the September prior to the billing year. The current multipliers are shown on the front of your bill.

Rateable Value

Apart from properties that are exempt from business rates, each non-domestic property has a rateable value which is set by the Valuation Office Agency (VOA), an agency of Her Majesty's Revenue and Customs. They compile and maintain a full list of all rateable values, available at www.gov.uk/voa. The rateable value of your property is shown on the front of your bill. This broadly represents the yearly rent the property could have been let for on the open market on a particular date specified in legislation. For the current rating list, this date was set as 1st April 2015.

The VOA may alter the valuation if circumstances change. The ratepayer (and certain others who have an interest in the property) can also check and challenge the valuation shown in the list if they believe it is wrong.

Further information about the grounds on which challenges may be made and the process for doing so can be obtained by contacting the VOA, or by consulting the VOA website: www.gov.uk/guidance/how-to-check-your-rateable-value-is-correct.

Revaluations

All non-domestic property rateable values are reassessed at revaluations. The most recent revaluation took effect from 1st April 2017. Revaluations ensure that business rates bills are up-to-date and more accurately reflect current rental values and relative changes in rents. Frequent revaluations ensure the system continues to be responsive to changing economic conditions.

Business Rate Reliefs

Depending on individual circumstances, a ratepayer may be eligible for a rate relief (i.e. a reduction in their business rates bill). There are a range of available reliefs. Further details are provided below and at www.gov.uk/introduction-to-business-rates, at the website of your local authority which is normally shown on your rates bill, or by contacting your local authority.

Temporary Reliefs

Some of the permanent reliefs are set out below but temporary reliefs are often introduced by the Government at Budgets. Further detail on current temporary reliefs is available at www.gov.uk/apply-for-business-rate-relief. You should contact your local authority for details on the latest availability of business rates reliefs and advice on whether you may qualify.

Small Business Rates Relief

If a ratepayer's sole or main property has a rateable value which does not exceed a set threshold, the ratepayer may receive a percentage reduction in their rates bill for the property of up to a maximum of 100%. The level of reduction will depend on the rateable value of the property. For example eligible properties with a rateable value below a specified lower threshold will receive 100% relief. Eligible properties between that threshold and a specified upper threshold will receive partial tapered relief. The relevant thresholds for relief are set by the Government by order and can be obtained from your local authority or at www.gov.uk/introduction-to-business-rates.

Generally, these percentage reductions (reliefs) are only available to ratepayers who occupy either—

- (a) one property, or
- (b) one main property and other additional properties providing those additional properties each have a rateable value which does not exceed the limit set by order.

The aggregate rateable value of all the properties mentioned in (b), must also not exceed an amount set by order. For those businesses that take on an additional property which would normally have meant the loss of small business rate relief, they will be allowed to keep that relief for a fixed additional period. Full details on the relevant limits in relation to second properties and the current period for which a ratepayer may continue to receive relief after taking on an additional property can be obtained from your local authority or at www.gov.uk/introduction-to-business-rates.

Certain changes in circumstances will need to be notified to the local authority by the ratepayer who is in receipt of relief (other changes will be picked up by the local authority). The changes which should be notified are—

- (a) the property falling vacant,
- (b) the ratepayer taking up occupation of an additional property, or
- (c) an increase in the rateable value of a property occupied by the ratepayer in an area other than the area of the local authority which granted the relief.

Charity and Community Amateur Sports Club Relief

Charities and registered Community Amateur Sports Clubs are entitled to 80% relief where the property is occupied by the charity or the club and is wholly or mainly used for the charitable purposes of the charity (or of that and other charities), or for the purposes of the club (or of that and other clubs).

The local authority has discretion to give further relief on the remaining bill. Full details can be obtained from the local authority.

Transitional Rate Relief

At a revaluation, some ratepayers will see reductions or no change in their bill whereas some ratepayers will see increases.

Transitional relief schemes are introduced at each revaluation to help those facing increases. Such relief schemes are funded by limiting the reduction in bills for those who have benefitted from the revaluation. Transitional relief is applied automatically to bills. Further information about transitional arrangements and other reliefs may be obtained from the local authority or the website www.gov.uk/introduction-to-business-rates.

Local Discounts and Hardship Relief

Local authorities have a general power to grant discretionary local discounts and to give hardship relief in specific circumstances. Full details can be obtained from the local authority.

Unoccupied Property Rating

Business rates are generally payable in respect of unoccupied non-domestic property. However, they are generally not payable for the first three months that a property is empty. This is extended to six months in the case of certain industrial premises, whilst certain other properties such as vacant listed buildings are not liable for business rates until they are reoccupied. Full details on exemptions can be obtained from your local authority or from gov.uk at <https://www.gov.uk/apply-for-business-rate-relief>.

State Aid

The award of discretionary relief[s] is considered likely to amount to state aid. However, it will be state aid compliant where it is provided in accordance with the De Minimis Regulation EC 1407/2013. The De Minimis Regulation allows an undertaking to receive up to EUR 200,000 ‘de minimis’ aid over a rolling three-year period. If you are receiving, or have received, any ‘de minimis’ aid granted during the current or two previous financial years (from any source), you should inform the local authority immediately with details of the aid received.

Rating Advisers

Ratepayers do not have to be represented in discussions about the rateable value of their property or their rates bill. 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) 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 or company 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.

Information Supplied with Demand Notices

Information relating to the relevant and previous financial years in regard to the gross expenditure of the local authority is available at [website address of local authority where information is published]. A hard copy is available on request by writing to the local authority or at [telephone number].”

PART 2

Explanatory Notes for Special Authorities

“EXPLANATORY NOTES

Non-Domestic Rates

Non-Domestic Rates, or business rates, collected by local authorities are the way that those who occupy non-domestic property contribute towards the cost of local services. Under the business rates retention arrangements introduced from 1st April 2013, authorities keep a proportion of the business rates paid locally. The money, together with revenue from council tax payers, locally generated income and grants from central government, is used to pay for the services provided by local authorities in your area. Further information about the business rates system may be obtained at: www.gov.uk/introduction-to-business-rates, at the website of your local authority which is normally shown on your rates bill, or by contacting your local authority.

Business Rates Instalments

Payment of business rates bills is automatically set on a 10-monthly cycle. However, the Government has put in place regulations that allow ratepayers to require their local authority to enable payments to be made through 12 monthly instalments. If you wish to take up this offer, you should contact your local authority as soon as possible.

The City of London Rating Multiplier

The local authority works out the business rates bill for a property by multiplying the rateable value of the property by the appropriate non-domestic multiplier. There are two multipliers: the standard non-domestic rating multiplier and the small business non-domestic rating multiplier. Because of its special circumstances, notably its very small resident population, the Common Council of the City of London can set its own rate, or multiplier, 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 City sets the multipliers for each financial year according to formulae set by legislation.

Ratepayers who occupy a property with a rateable value which does not exceed £50,999 (and who are neither entitled to certain other mandatory relief[s] nor liable for unoccupied property rates) will have their bills calculated using the lower small business non-domestic rating multiplier, rather than the standard non-domestic rating multiplier.

The current multipliers are shown on the front of your bill.

Rateable Value

Apart from properties that are exempt from business rates, each non-domestic property has a rateable value which is set by the Valuation Office Agency (VOA), an agency of Her Majesty's Revenue and Customs. They compile and maintain a full list of all rateable values, available at www.gov.uk/voa. The rateable value of your property is shown on the front of your bill. This broadly represents the yearly rent the property could have been let for on the open market on a particular date specified in legislation. For the current rating list, this date was set as 1st April 2015.

The VOA may alter the valuation if circumstances change. The ratepayer (and certain others who have an interest in the property) can also check and challenge the valuation shown in the list if they believe it is wrong.

Further information about the grounds on which challenges may be made and the process for doing so can be obtained by contacting the VOA, or by consulting the VOA website: www.gov.uk/guidance/how-to-check-your-rateable-value-is-correct.

Revaluations

All non-domestic property rateable values are reassessed at revaluations. The most recent revaluation took effect from 1st April 2017. Revaluations ensure that business rates bills are up-to-date and more accurately reflect current rental values and relative changes in rents. Frequent revaluations ensure the system continues to be responsive to changing economic conditions.

Business Rate Reliefs

Depending on individual circumstances, a ratepayer may be eligible for a rate relief (i.e. a reduction in their business rates bill). There are a range of available reliefs. Further details are provided below and at www.gov.uk/introduction-to-business-rates, at the website of your local authority which is normally shown on your rates bill, or by contacting your local authority.

Temporary Reliefs

Some of the permanent reliefs are set out below but temporary reliefs are often introduced by the Government at Budgets. Further detail on current temporary reliefs is available at www.gov.uk/apply-for-business-rate-relief. You should contact your local authority for details on the latest availability of business rates reliefs and advice on whether you may qualify.

Small Business Rates Relief

If a ratepayer's sole or main property has a rateable value which does not exceed a set threshold, the ratepayer may receive a percentage reduction in their rates bill for the property of up to a maximum of 100%. The level of reduction will depend on the rateable value of the property. For example eligible properties with a rateable value below a specified lower threshold will receive 100% relief. Eligible properties between that threshold and a specified upper threshold will receive partial tapered relief. The relevant thresholds for relief are set by the Government by order and can be obtained from your local authority or at www.gov.uk/introduction-to-business-rates.

Generally, these percentage reductions (reliefs) are only available to ratepayers who occupy either—

- (a) one property, or
- (b) one main property and other additional properties providing those additional properties each have a rateable value which does not exceed the limit set by order.

The aggregate rateable value of all the properties mentioned in (b), must also not exceed an amount set by order. For those businesses that take on an additional property which would normally have meant the loss of small business rate relief, they will be allowed to keep that relief for a fixed additional period. Full details on the relevant limits in relation to second properties and the current period for which a ratepayer may continue to receive relief after taking on an additional property can be obtained from your local authority or at www.gov.uk/introduction-to-business-rates.

Certain changes in circumstances will need to be notified to the local authority by the ratepayer who is in receipt of relief (other changes will be picked up by the local authority). The changes which should be notified are—

- (a) the property falling vacant,
- (b) the ratepayer taking up occupation of an additional property, or
- (c) an increase in the rateable value of a property occupied by the ratepayer in an area other than the area of the local authority which granted the relief.

Charity and Community Amateur Sports Club Relief

Charities and registered Community Amateur Sports Clubs are entitled to 80% relief where the property is occupied by the charity or the club and is wholly or mainly used for the charitable purposes of the charity (or of that and other charities), or for the purposes of the club (or of that and other clubs).

The local authority has discretion to give further relief on the remaining bill. Full details can be obtained from the local authority.

Transitional Rate Relief

At a revaluation, some ratepayers will see reductions or no change in their bill whereas some ratepayers will see increases.

Transitional relief schemes are introduced at each revaluation to help those facing increases. Such relief schemes are funded by limiting the reduction in bills for those who have benefitted from the revaluation. Transitional relief is applied automatically to bills. Further information about transitional arrangements and other reliefs may be obtained from the local authority or the website www.gov.uk/introduction-to-business-rates.

Local Discounts and Hardship Relief

Local authorities have a general power to grant discretionary local discounts and to give hardship relief in specific circumstances. Full details can be obtained from the local authority.

Unoccupied Property Rating

Business rates are generally payable in respect of unoccupied non-domestic property. However, they are generally not payable for the first three months that a property is empty. This is extended to six months in the case of certain industrial premises, whilst certain other properties such as vacant listed buildings are not liable for business rates until they are reoccupied. Full details on exemptions can be obtained from your local authority or from gov.uk at <https://www.gov.uk/apply-for-business-rate-relief>.

State Aid

The award of discretionary relief[s] is considered likely to amount to state aid. However, it will be state aid compliant where it is provided in accordance with the De Minimis Regulation EC 1407/2013. The De Minimis Regulation allows an undertaking to receive up to EUR 200,000 ‘de minimis’ aid over a rolling three-year period. If you are receiving, or have received, any ‘de minimis’ aid granted during the current or two previous financial years (from any source), you should inform the local authority immediately with details of the aid received.

Rating Advisers

Ratepayers do not have to be represented in discussions about the rateable value of their property or their rates bill. 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) 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 or company 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.

Information Supplied with Demand Notices

Information relating to the relevant and previous financial years in regard to the gross expenditure of the local authority is available at [website address of local authority where information is published]. A hard copy is available on request by writing to the local authority or at [telephone number].”

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Council Tax and Non-Domestic Rating (Demand Notices) (England) Regulations 2003 (S.I. 2003/2613) (“the 2003 Regulations”) in relation to non-domestic rating demand notices only.

Schedule 2 to the 2003 Regulations sets out matters that must be included in a demand notice for non-domestic rates as well as explanatory notes which are required to be published on a billing authority’s website. A billing authority other than the Common Council of the City of London or a rural settlement authority must publish on its website explanatory notes in the same or substantially similar terms to the explanatory notes set out in paragraph 7 of Part 1 of Schedule 2. Part 2 of Schedule 2 modifies the explanatory notes that must be provided where the billing authority is a rural settlement authority, and Part 2A of Schedule 2 modifies the explanatory notes that must be provided where the billing authority is an authority which is required to collect a Business Rates Supplement (a “BRS authority”).

The Common Council of the City of London must publish on its website explanatory notes in the same or substantially similar terms to the explanatory notes set out in paragraph 3 of Part 3 of Schedule 2. Part 3A of Schedule 2 modifies the explanatory notes that must be provided where the Common Council of the City of London is a BRS authority.

These Regulations substitute the explanatory notes in Parts 1 and 3 of Schedule 2, and make amendments to the explanatory notes in Parts 2A and 3A of that Schedule. The purpose of these amendments is to ensure that the information the notes provide concerning the non-domestic rating system and rate reliefs for financial year 2020-21 is up to date.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.

© Crown copyright 2020

Printed and published in the UK by The Stationery Office Limited under the authority and superintendence of Jeff James, Controller of Her Majesty's Stationery Office and Queen's Printer of Acts of Parliament.

£6.90

UK202002111002 02/2020 19585

<http://www.legislation.gov.uk/id/uksi/2020/133>

ISBN 978-0-11-119305-1



9 780111 193051