



Critiqom English Local Taxation Billing Briefing

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Annual Billing

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Annual Billing FY16/17

- We started planning for Annual Billing FY16/17 in August 2016.
- Our Production team will be working 24/7 during February and March.
- We have been working very closely with IRRV since August to ensure we understand any regulatory changes that could potentially impact the overall plan.
- It is imperative that we work as true partnership with our customers to minimise risk.
- Print and Mail suppliers are the last touchpoint for the sending of Annual Billing with very tight timelines. The transition from Customers, Software Providers to Print and Mail provider must be seamless to ensure Bills are despatch within the regulatory timescales.
- Dates provided are critical, there are many moving parts in the despatch of Annual Billing, any delays in sign off could jeopardise the despatch of Bills.

Governance - England

- The Autumn Statement
- The 2% Threshold Referendum and Social Care Precept
- Council Tax Reduction Schemes
- The Rating Review
- Rate Retention
- Revaluation
 - Transition Scheme
 - Check, Challenge and Appeal
- Localisation
- Local Government Finance Bill 2017

Revenue and Benefit Timelines

- Tax base
- Tax levels
- Multiplier
- Reduction and relief schemes
- Billing – statutory requirements
- Payment process – statutory requirements
- Enforcement – statutory requirements

Current Issues Business Rates Billing

- Revaluation
- Billing approach
 - England
 - The Billing Forum
 - The BRILs
- Digitisation
- Local Government Finance Bill 2017

Non Domestic Rate Billing

The Contents of a Demand Notice

- The Content of demand notices and the requirements for supporting information are governed by the **Council Tax and Non-Domestic Rating (Demand Notices) (England) Regulations 2003 (S.I 2003/2613)** as amended.

Non Domestic Rate Billing

The matters that must be included in the demand notice as per **Schedule 2 (SI.2003/2613)** to the demand notice regs are:-

1. **Address and description of each hereditament to which notice relates;**
2. **RV of each hereditament**
3. **Both the NDR and SBR multipliers**
4. **The period of the charge**
5. **The type of charge (occupied or unoccupied); and**
6. **That there must be explanatory notes.**

Non Domestic Rate Billing

- **The explanatory notes are currently provided by SI. 2012/538.**
- The information to be supplied with the demand notice (Sch.3 (part II) SI. 2003/2613) is effectively the same information that the billing authority is required to issue to its council taxpayers and relates to the gross expenditure of both the billing and major precepting authorities together with other details relating to the authorities budget and any significant changes.

Non Domestic Rate Billing

Explanatory Notes:

The new demand notice regulations have also been amended to reflect the information to be covered in the 'Explanatory notes' these cover:

- Non-domestic rates in general
- Rateable value
- Multipliers
- Revaluation 2017
- Transitional arrangements
- Unoccupied property rating
- Partly occupied property relief
- SBRR
- Charity and Registered CASC's
- Non-profit making Organisations
- Retail discount
- Local discounts
- State aid
- Hardship relief
- Rating advisers

New Proposals

- **Contained in**
 - Local Government Finance Bill 2017
 - BRIL December 2016 and January 2017
 - Regulations very soon!

Clause 12 LGFB 2017

Power to require billing authorities to offer electronic billing

- Clause 12 amends Schedule 9 to the 1988 Act to enable the Secretary of State to make regulations that require billing authorities to offer ratepayers the option to receive their business rate bills electronically. In practice, this is likely to mean either receipt of their bill through an email, or the provision of an online account where bills can be viewed online.
- The new paragraph 2ZA will also enable regulations to require that, where a ratepayer has more than one property in a single billing authority, the billing authority must, if requested by the ratepayer, ensure that they receive their bills via a single electronic communication or by accessing a single account on a website.

Clause 13 LGFB 2017

Power to issue guidance about notices relating to non-domestic rates

- Clause 13 amends Schedule 9 to the 1988 Act to enable the Secretary of State to issue guidance to billing authorities on the form and content of non-domestic rate demand notices. It inserts paragraph 2A into Schedule 9 of the 1988 Act. This will enable the Secretary of State to issue guidance, and require billing authorities to have due regard to that guidance.
- This will supplement any regulations made under Schedule 9 on the form and content of bills, allowing guidance to deal with more detailed matters around the appearance and layout of bills.

Clause 14 LGFB 2017

Provision of digital services by HMRC

- This clause provides HMRC with the ability to incur expenditure in order to work on the design of a new digital service that will link local authority business rates systems with HMRC's digital tax accounts.
- HMRC's functions describe the activities that HMRC can undertake, and define what it can expend its resources on. HMRC is a statutory body and its functions are set out in legislation within the Commissioners for Revenue and Customs Act 2005 and other enactments, and provision of a link between its digital tax accounts and local authority systems for business rates would exceed HMRC's statutory remit.
- Subsection (1) will allow HMRC to expend resources in preparing for the digital service, including but not limited to: stakeholder engagement; user research; product design and development; testing services. Legislation will be brought at a later date to provide the framework for the digital service itself, and enable HMRC to operate it.

December 2016 and January 2017 BRILs Publishing Explanatory Notes Online

- From 1 April 2017, authorities will no longer be required to provide individual copies of explanatory notes when bills are issued. Instead, authorities will be required to publish explanatory notes online, based on model explanatory notes provided by DCLG. The Government intends to make the necessary amendments to the relevant regulations to implement this change for April 2017.

December 2016 BRIL

End Multi-Year Billing On a Single Bill

- Feedback from ratepayers during the Business Rates Administration Review was that multi-year bills are difficult to understand.
- The Government intend to amend regulations to end multi-year billing by removing the current provision in the (amended) 1989 regulations that allow for a single notice to cover more than one year.
- The Government intends to make the necessary amendments to the relevant regulations to implement this change for April 2017.

December BRIL 2016

A Standard Simplified NDR Bill

- Responses to the Business Rates Administration Review also said that ratepayers found existing bills (even for single year periods) difficult to understand.
- In the Budget 2016 the Government committed to work with local authorities across England to standardise business rate bills.
- DCLG continuing to work with the sector on this commitment, and is aiming to develop and share a model best practice example bill in 2017
- The Government does not intend to regulate to enforce any mandatory changes to bill format (apart from the changes above) ahead of April 2017.

December 2016 BRIL

Online Payment and Receipt of Business Rate Bills

- The Government is committed to ensuring that all ratepayers have the opportunity to both receive and pay bills online. The vast majority of authorities already offer online payment of bills. A significant number also offer online receipt of bills
- The Government does not intend to introduce a legislative requirement to provide electronic bills by April 2017.
- However, where authorities do not already provide this service, we expect that they should be working towards implementation as soon as possible and Government intends to make this a mandatory requirement by April 2018.

January BRIL 2017 Update on Better Billing Measures and Business Rate Explanatory Notes

- **Update on Better Billing and Digitalisation Measures**
- Relevant regulations to be laid shortly, and to come into force before the end of February 2017.
- Previously, billing authorities were required to issue explanatory notes with demand notices.
- The forthcoming regulations will instead require billing authorities instead to publish explanatory notes on their website and include a statement in demand notices informing ratepayers of the website address where explanatory notes may be viewed and that hard copy explanatory notes are available from the billing authority on request.
- **Explanatory Notes: Amendments to the Council Tax and Non-Domestic Rating Demand Notice (England) Regulations 2003**
- The Department will be amending the Council Tax and Non-Domestic Rating (Demand Notices) (England) Regulations 2003 to provide revised text for explanatory notes, to reflect relevant policy changes.
- Content in Annex to BRIL

Current Issues - Council Tax Billing

- Style of Council Tax Demand
- Reduction Schemes
- Social Care Precept
- Digitisation
- Referendums

Council Tax Demand Notice

Format of the demand NOT prescribed

Content of the Demand Notice and the explanatory notes that are to accompany it are:

**The Council Tax and Non-Domestic Rating
(Demand Notices) (England) Regs 2011 S.I.
2011/3038**

Then with effect 1 April 2013 – **The Council Tax (Demand Notices) (England)(Amendment) Regs 2012 S.I.
2012/3087**

- These regulations amend the 2011 demand notice regulations to take account of the introduction of local council tax reduction schemes and local premiums for long term empty dwellings through the **Local Government finance Act 2012**.

Council Tax Demand Notice

Most recent change:

The Council Tax (Demand Notices) (England) (Amendment) Regulations 2017 SI. 2017/13 came into force on January 2017

Amending the

The Council Tax (Demand Notices) (England) (Amendment) Regulations 2016 SI. 2016/188
and **the Council Tax (Demand Notices) Regulations 2011.**

Allows for the modification of the Adult Social Care (ASC) precept

What are the main changes this year?

- Last year, billing authorities could present the information about the Adult Social Care Precept ('the Precept') on bills in two ways.
- This year, there is only one prescribed approach. The new approach requires cash and percentage increase figures to be shown for the Precept and for the council tax charged for general expenditure.
- The regulations amend the Council Tax (Demand Notices) (England) Regulations 2011, as amended by the Council Tax (Demand Notices) (England) (Amendment) Regulations 2016, which made provision for information about the Precept to be provided on bills in 2016-17.

What are the main changes this year?

- LAs must show the Precept (if any), as a cash amount disaggregated from the overall charge set by the adult social care (ASC) authority.
- Such authorities would therefore have two lines on the bills – one with the non-ASC charge and associated percentage increase; the other with the Precept charge and associated percentage increase.
- The Precept is considered to be a charge which *accumulates* in value over the years from 2016-17 to 2019-20. This is because LAs are expected to keep spending all of the additional council tax they have charged for the Precept in previous years (which has become part of their council tax baseline) on ASC services.
- So, for example, in a situation where the LA charged £20 for the Precept in 2016-17, and a further £22 in 2017-18 the bill would show the Precept as being worth £42 in 2017-18.

What are the main changes this year?

- The cash values of both the Precept and the amount attributable to general expenditure for the ASC authority should each be accompanied by a percentage increase figure. This should show the number of *percentage points* which increases for the Precept and general expenditure each contribute to the overall increase set by the LA that year.
- So in a situation where an ASC authority sets a 4.99% increase, comprising 1.99% for general expenditure and 3% for the new amount of the Precept for the current year, the bill would show increases of 1.99% and 3% respectively. It is noted that this is a different approach to the presentation of percentage increases elsewhere on the bill.

What are the main changes this year?

- As usual, the regulations prescribe the matters to be included in demand notices, but the presentation of the information is a matter for local authorities.
- Adult social care authorities who are precepting authorities are required to provide new information to their billing authorities.
- This information includes the cash amounts attributable to the Precept in the current and previous years, and the number of percentage points which increases for the Precept and general expenditure each contribute to the overall increase set by the authority.
- Percentage increases should be shown to one decimal place.

In Conclusion

- It is essential that Billing Authorities develop a partnership with suppliers
- The Institute is determined to keep you informed
- Regular updates
- Intelligence around key legislative proposals
- Picking up the pulses around local government, and
- Addressing topical operational issues