

### A STATUS REPORT



REFLECTIONS ON 2023 AND A LOOK AHEAD TO THE FUTURE

**IRRV EAST ANGLIA ASSOCIATION** 

1 DECEMBER 2023

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### 24 DAYS OF CHRISTMAS / TOPICS









### 24 DAYS OF CHRISTMAS / TOPICS



- Day 1: My thoughts
- Day 2: Association Meeting: 10 December 2021
- Days 3 to 5: Council Tax
- Days 6 to 9: Non-Domestic Rate
- Day 10: Enforcement
- **Day 11**: Consequences of the Pandemic
- Day 12: Political Landscape
- Day 13: The Next Five Years
- Day 14 to 22: The Institute
- Day 23: The Future
- Day 24: Questions









### DAY 2 (ASSOCIATION MEETING: 10 DECEMBER 2021)



- Council Tax Collection Inquiry
- Autumn Budget 2021
- Fundamental Review of Business Rates
- Rating (Coronavirus) and Directors Disqualification (Dissolved Companies) Bill
- Key Rating Terms
- Section 47: Discretionary Relief
- Judicial Review
- Way Forward?







- Clause 75: Long-term empty dwelling': England
  - Background
    - Currently, Section 11B Local Government Finance Act 1992 provides for local authorities to apply extra council tax charge on properties defined as a long-term empty dwelling.
      Subsection (8) defines long term empty dwellings as properties which are empty and substantially unfurnished for more than two years.
    - Section 11B(1C) provides that, from 1 April 2021 the maximum additional charges which may be applied are 100 percent of the standard council tax bill for long term empty dwellings which have remained empty for less than five years, up to 200 percent after five years and up to 300 percent after 10 years. Local authorities have the discretion on whether to apply a premium and at what level to apply the charge below these maximums.









- Clause 75: Long-term empty dwelling': England (Continued)
  - > Effect
    - ➤ The clause changes the definition of "long- term empty dwelling" to reduce the minimum period for which a property must be empty in order to fall within the definition from two years to one.
    - > Subsection (1)(a) provides that billing authorities must have regard to any guidance issued by the Secretary of State when applying the council tax charge on long term empty dwellings.
    - > Subsection (1)(b) amends the duration in the definition of long-term empty dwelling in Section 11B (8) from two years to one, allowing local authorities to charge the 100 percent premium a year earlier.
    - Subsection (2) provides that the amended definition of "long-term empty dwelling" has effect for financial years beginning on or after 1 April 2024. It also provides that it does not matter whether the amended period of 1 year mentioned in Section 11B(8) of the 1992 Act begins before clause 75 comes into force.





- Clause 76: Dwellings occupied periodically: England
  - > Background
    - > 11C Higher amount for dwellings occupied periodically: England
      - (a) Subsections (1) and (2) have the effect of providing billing authorities in England with the discretion to increase the council tax payable on a dwelling where there is no resident, and which is substantially furnished (often referred to as a "second home"). The new section enables billing authorities to charge up to 100 percent extra of the standard council tax bill that would be payable if the property were occupied by two adults and no discounts were applicable.
      - (b) **Subsection 2(3)** requires that, on the first occasion that a billing authority decides to apply a charge, it must make its determination to apply the charge **at least one year** before the beginning of the financial year in which the charge will be applied.







- Clause 76: Dwellings occupied periodically: England (Continued)
  - Background (Continued)
    - > 11C Higher amount for dwellings occupied periodically: England
      - (c) **Subsection 2(4)** provides that billing authorities must have regard to any guidance issued by the Secretary of State when applying the council tax charge on second homes.
      - (d) **Subsection 2(5)** disapplies the discount available under **Section 11A(3)**, **(4)** or **(4A)** of the **Local Government Finance Act 1992** (a discount on the amount of council tax payable in respect of dwellings in which there are no residents) when a billing authority makes a determination under the new **Section 11C**.
      - (e) **Subsection (6)** provides that a determination can be varied or revoked, but only before the start of the financial year in which it will apply.
      - (f) **Subsections (7) and (8)** stipulate that where a determination is made, the billing authority must publish a notice in at least one newspaper circulating in its area. The notice must be published **within 21 days** of the date of the determination.



- Clause 76: Dwellings occupied periodically: England (Continued)
  - Background (Continued)
    - > 11D Section 11C: Regulations
      - (a) **Section 11D (1) and (2)** gives the power to the Secretary of State to make regulations prescribing categories of dwelling in relation to which the billing authority will not be able to charge extra council tax on homes occupied periodically.
      - (b) **Section 11D (3) and (4)** gives the power to the Secretary of State to make regulations to vary the maximum council tax charge which can be charged on second homes. No regulations can be made under these sections until draft regulations have been approved by the House of Commons.
  - Consequential Amendments
    - ➤ Subsection (3) makes provision for a number of consequential amendments to Sections 11, 11A, 13, 66, 67, 113 and schedule 2 of the Local Government Finance Act
  - Commencement
    - > Subsection 4 enables billing authorities to make a determination for a financial year beginning on or after 1 April 2024, provided a determination



### DAY 4 COUNCIL TAX (COUNCIL TAX INFORMATION LETTERS)



- 3/2023: Changes to Regulations for Houses in Multiple Occupation (HMOs)
  - Changes to legislation
    <a href="https://www.legislation.gov.uk/uksi/2023/1175/pdfs/uksi/20231175">https://www.legislation.gov.uk/uksi/2023/1175/pdfs/uksi/20231175</a> en.pdf
  - Annex A: Provision of information
- 4/2023: Updates on HMO's, Homes for Ukraine and Infected Blood Compensation
  - > Support for HMO tenants facing hardship because of council tax demands
  - Infected blood compensation payments
  - Homes for Ukraine individuals and accommodation arrangements







## DAY 5 COUNCIL TAX (REFORM: WALES)



### Consultation Document (November 2023)

- The Welsh Government are looking at different ways of bringing the Council Tax system up to date and making it fairer. This includes the potential to introduce new Council Tax bands. As part of their consultation, they'd like views on:-
  - ➤ Different approaches for new Council Tax bands.
  - > Regular updates to council tax in the future
  - Discounts and exemptions
  - > A more transparent system and a more effective appeals process
- ➤ The purpose of the reforms would be to ensure that Council Tax contributions are more fairly spread and reflect the latest information available about economic circumstances. None of the approaches outlined in this consultation represents a revenue-raising exercise.





## DAY 5 COUNCIL TAX (REFORM: WALES)



- Consultation Document (July 2023) (Continued)
  - > This consultation makes proposals for:
    - Modernising the service provided to taxpayers. Taking powers to reform the system of discounts and reductions over time.
    - > Committing to retain the one-adult discount and to keep the level of discount at 25%.
    - ➤ Changing the treatment of empty properties to remove the obligation on councils to offer a **50%** discount on most empty properties (councils will maintain their discretion on caravans and houseboats, on homes where the owner has died and job-related dwellings).
    - > Changing the time-limits for exemptions on properties in probate.
    - Amending the language we use, and the system in place, to provide help to those with a 'severe mental impairment'.
    - > Improving the Council Tax Reduction Scheme.
  - The consultation can be found at <a href="https://www.gov.wales/sites/default/files/pdf-versions/2023/11/2/1700579462/consultation-fairer-council-tax-phase-2.pdf">https://www.gov.wales/sites/default/files/pdf-versions/2023/11/2/1700579462/consultation-fairer-council-tax-phase-2.pdf</a>.
  - Closing date for responses is 6 February 2024.









### Summary

The Non-Domestic Rating Bill is a government bill that would make changes to business rates. It would reduce the time between property revaluations, impose a duty on businesses to notify the Valuation Office Agency (VOA) of changes that could affect a property's rateable value, and introduce rates reliefs for improvements to property and heat networks







### Approach

- > To improve the accessibility of the legislation rather than to make substantive changes.
- The Bill amends the provisions of the principal primary legislation (the 1988 Act).
- Clauses 1 to 3 of the Bill have in large part taken existing provisions and powers concerning chargeable amounts and reliefs in Sections 43, 44, 45, 45A, 46, 54 and 54ZA of the 1988 Act and re-enacted them in to 3 schedules:-
  - ➤ Clause 2: Introduces Schedule 4ZB in respect of unoccupied hereditaments.
  - ➤ Clause 1: Introduces Schedule 4ZA in respect of occupied hereditaments.
  - > Clause 3: Introduces Schedule 5A in respect of the central rating list.







### Liability and Mandatory Reliefs

- ➤ Clause 1: Local rating Liability and mandatory reliefs for occupied hereditaments
- ➤ Clause 2: Local rating Liability and mandatory reliefs for unoccupied hereditaments
- Clause 3: Central rating Liability and mandatory reliefs

### Discretionary Relief

Clause 4: Local rating – Discretionary relief

### Administration Etc.

- Clause 5: Frequency with which lists are compiled
- > Clause 6: Transitional relief:
- Clause 7: Completion notices
- Clause 8: Central list administration
- Clause 9: Credits to and debits from main non-domestic rating accounts







### Information

- > Clause 10: Disclosure of valuation information to ratepayers
- Clause 11: Disclosure of valuation information to Northern Ireland rating officials
- Clause 12: Sharing of information between billing authorities and HMRC
- Clause 13: Requirements for ratepayers etc. to provide information

### Valuation and Multipliers

- Clause 14: Alteration to lists matters not to be taken into account in valuation
- > Clause 15: Multipliers

### Final Provisions

- Clause 16: Meaning of "the Act"
- > Clause 17: Consequential provision
- > Clause 18: Extent
- Clause 19: Commencement and application
- > Clause 20: Short title







# (1988) ED) LEGISLATION ACT: PROPOSE







### Local Rating

- Section 41: Local rating lists
- Section 41A: Local non-domestic rating lists for Welsh Authorities
- > Section 42: Contents of local lists
- > Section 42A: Rural settlement lists
- > Section 42B: Preparation and maintenance of lists
- Section 43: Occupied hereditaments liability
- Section 44: Occupied hereditaments supplementary
- Section 44A: Partly occupied hereditaments
- section 45: Unoccupied hereditaments liability
- > Section 45a: Unoccupied hereditaments zero-rating
- **→** Section 46: Unoccupied hereditaments supplementary
- Section 46A: Unoccupied hereditaments new buildings
- Section 47: Discretionary relief
- Section 48: Discretionary relief supplementary
- > Section 49: Reduction or remission of liability
- > Section 50: Joint owners or occupiers
- Section 51: Exemption









### Central Rating

- Section 52: Central rating lists
- Section 52A: Contents of central lists for England
- Section 53: Contents of central lists
- Section 54: Central rating liability
- Section 54ZA: Relief for telecommunications infrastructure

### General

- > Section 54A: Postponement of compilation of Welsh lists for 2015 onwards
- > Section 55: Alteration of lists
- Section 56: Valuation and multipliers
- Section 57A: Transitional provision for 2005 onwards in England
- Section 58: Special provision for 1995 onwards
- > Section 59: Contributions in aid
- Section 59A: Local retention of non-domestic rates
- Section 60: Pooling
- > Section 61: Valuation officers
- Section 62: Administration









### General (Continued)

> Section 61: Valuation officers

> Section 62: Administration

Section 62A: Recovery by taking control of goods

> Section 63: Death

Section 63A: Disclosure of Revenue and Customs Information

Section 63B: Restrictions on onward disclosure of Revenue and Customs information

Section 63C: Freedom of Information

> Section 63D: Disclosure of valuation information to Northern Ireland rating officials

Section 63E: Disclosure of non-domestic rating information to HMRC







### Interpretation

> Section 64: Hereditaments

> Section 65: Owners and occupiers

Section 65A: Crown property

Section 66: Domestic property

> Section 66A: Unoccupied hereditaments: change of state of property to be disregarded

Section 67: Interpretation – other provisions

### Miscellaneous

Section 143: Orders and regulations







### Schedules

- > Schedule 4ZA: Occupied hereditaments chargeable amount
- Schedule 4ZB: Unoccupied hereditaments chargeable amount
- Schedule 4A: Non-domestic rating new buildings (completion notices)
- > Schedule 5: Non-domestic rating exemption
- Schedule 5A: Central rating chargeable amount
- Schedule 6: Non-domestic rating valuation
- Schedule 7: Non-domestic rating multipliers
- Schedule 7B: Non-domestic rating –local retention
- Schedule 8: Pooling
- Schedule 9: Administration





### DAY 7 NON-DOMESTIC RATE (BUSINESS RATE INFORMATION LETTERS)



- 4/2023: Non-Domestic Rating Act 2023
  - > The Act
  - Summary of Implementation
  - Background Documents
- 5/2023: Autumn Statement Business Rates Measures
  - Measures
    - ➤ Small Business Multiplier frozen at 49.9p
    - > Standard Multiplier uprated in April by September's CPI figure (6.7%), increasing the multiplier from 51.2p to 54.6p
    - ➤ Retail, Hospitality and Leisure (RHL) Scheme extended for a 5<sup>th</sup> year in to 2024/25, retaining the existing scope and providing eligible properties with 75% relief, up to a cap of £110,000 per business
  - New Burdens
  - Changes to Legislation (4 S.I.'s)





### DAY 8 NON-DOMESTIC RATE (SECONDARY LEGISLATION)



- Non-Domestic Rating (Heat Networks Relief) (England) Regulations 2023 (S.I.2023/1247)
  - Made: 21 November 2023
  - Heat Networks Relief
- Non-Domestic Rating Act 2023 (Commencement No.1 and Saving Provision (England) Regulations 2023 (S.I.2023/1248) (C.89)
  - Made: 21 November 2023
  - Multipliers
- Non-Domestic Rating (Small Business Rate Relief) (England) Regulations 2023 (S.I.2023/1250)
  - Made: 21 November 2023
  - Small Business Relief
- Non-Domestic Rating Act (Consequential and Other Amendments etc.) 9England) Regulations 2023 (S.I.2023/1251)
  - Made: 21 November 2023
  - Various (13 separate S.I.'s amended)





### DAY 9 NON-DOMESTIC RATE (BUSINESS RATES AVOIDANCE AND EVASION)



- Consultation Document (July 2023)
  - ➤ The Government conducted consultation on avoidance and evasion in the business rates system to protect essential funding for local services. It consisted of 3 sections.
  - ➤ The first section focussed on specific proposals to reform Empty Property Relief, to address the most widely used and publicised means of business rates avoidance. This relief, when properly applied, provides important support to landlords with vacant properties. The Government sought views on measures which aimed to balance support for those who need it with limiting scope for abuse.
  - The second section served as a call for evidence on wider avoidance and evasion activity within the business rates system. The Government welcomed any information respondents had on other methods of avoidance and evasion, and the scale of such activity.

    This section also includes questions on the sufficiency of the powers and information available to local authorities to combat avoidance and evasion.



### DAY 9 NON-DOMESTIC RATE (BUSINESS RATES AVOIDANCE AND EVASION)



- Consultation Document (July 2023) (Continued)
  - The final section concerned poor practice by rating agents. The Government recognised that most rating agents provide a valuable service to their clients to a high professional standard. Nevertheless, some agents seek to take advantage of their clients or actively promote avoidance strategies. The consultation sought to understand the nature and scale of any issues, and identify potential action the government could take to help address poor practice.
  - The consultation can be found at <a href="https://www.gov.uk/government/consultations/business-rates-avoidance-and-evasion-consultation">https://www.gov.uk/government/consultations/business-rates-avoidance-and-evasion-consultation</a>.
  - The consultation closed on **28 September 2023**. The Institute's response can be found at <u>IRRV-Response-Consultation-Rates-Avoidance-and-Evasion-Final.pdf.</u>





### DAY 10 ENFORCEMENT (TAKING CONTROL OF GOODS REGULATIONS)



- Consultation Document (November 2023)
  - ➤ The government is seeking views on amendments to the regulations that govern the recovery of fees that enforcement agents and High Court Enforcement Officers (formerly known as bailiffs) can recover when enforcing debts.
  - > On 17 July 2023, the government published a review of the fees that enforcement agents (EAs) and High Court Enforcement Officers (HCEOs) can recover. The review announced the government's intention to uplift those fees, following a consultation on a wider package of reforms about when the fees can be recovered.





### DAY 10 ENFORCEMENT (TAKING CONTROL OF GOODS REGULATIONS)



- Consultation Document (November 2023) (Continued))
  - This consultation seeks views on that package of reforms, which aims to ensure the sustainability of the enforcement sector, whilst tightening up the rules that EAs and HCEOs must follow to ensure that people in debt are given more opportunities to settle the debt at the earliest and cheapest stage possible.
  - The consultation can be found at <a href="https://www.gov.uk/government/consultations/taking-control">https://www.gov.uk/government/consultations/taking-control</a>
    -of-goods-regulations-consultation.
  - Closing date for responses is 4 December 2023.





### DAY 11 CONSEQUENCES OF THE PANDEMIC



- More time: The pandemic gave people a chance to reflect on their lives, values, and priorities. We became more aware of the fragility and preciousness of life, and the importance of health, happiness, and gratitude. The pandemic also prompted some people to adopt healthier lifestyles, such as exercising more, sleeping better, eating well, and reducing stress. It was an opportunity to reflect, learn, create, connect or enjoy the simple pleasures of life.
- New ways of working and learning: The pandemic accelerated the adoption of digital technologies and platforms for remote work and education. It was an opportunity to improve productivity, flexibility, accessibility and collaboration, as well as reduce costs, emissions and inequalities.



### DAY 11 CONSEQUENCES OF THE PANDEMIC



- New markets and business models: The pandemic disrupted many industries and sectors, creating new demands and needs for products and services. It was an opportunity for entrepreneurs to innovate, diversify, pivot or scale their businesses, as well as find new partnerships and alliances.
- New social norms and values: The pandemic exposed the fragility and interdependence of
  our societies and systems, as well as the importance of solidarity, empathy and trust. It
  was an opportunity to foster a more inclusive, responsible and sustainable culture, as
  well as a more collaborative and cooperative approach to global challenges.





### DAY 12 POLITICAL LANDSCAPE (CONSERVATIVE MANIFESTO: 1982)



- There are a number of grossly extravagant Labour authorities whose exorbitant rate
  demands have caused great distress both to businesses and domestic ratepayers. We shall
  legislate to curb excessive and irresponsible rate increases by high-spending councils, and
  to provide a general scheme for limitation of rate increases for all local authorities to be
  used if necessary.
- In addition, for industry we will require local authorities to consult local representatives of industry and commerce before setting their rates. We shall give more businesses the right to pay by instalments. And we shall stop the rating of empty industrial property.





### DAY 12 POLITICAL LANDSCAPE (CONSERVATIVE MANIFESTO: 1987)



- We will legislate in the first Session of Parliament to abolish the unfair domestic rating system and replace rates with a fairer Community Charge.
- This will be a fixed rate charge paid by those 18+ except the mentally ill and elderly people living in homes / hospitals. The less-well-off and students will not pay the full charge but all will be aware of the costs and benefits of local Services. This should encourage people to take a greater interest in the policies of their local council and in getting value for money. Business ratepayers will pay a Unified Business Rate at a standard rate pegged to inflation.







### DAY 12 POLITICAL LANDSCAPE (CONSERVATIVE MANIFESTO: 1992)



- We will continue to 'cap' local spending where necessary. The Uniform Business Rate will go up this year by more than the rate of inflation 4.1 per cent. We have also speeded up the benefits of revaluation for those who gain from it. In future years, we maintain our pledge to prevent UBR poundage rising by more than inflation.
- We will replace the Community Charge with a new Council Tax in April 1993. The Council
  Tax will be simple and straightforward to administer. It will be fair and reflect the value of
  a property and number of adults who live in it.
- Single householders, who suffered under rates, will receive a 25% discount. By grouping properties into bands, the Council Tax avoids the punitive bills which would be imposed by an unfettered rating system proposed by Labour. Students and people on low incomes will not have to pay.

### DAY 12 POLITICAL LANDSCAPE (CONSERVATIVE AND LABOUR MANIFESTO'S: 1992)

### Conservative Party

> Standards of service are rising in many local authorities. There are, however, still great disparities between the best and worst performers, as the Audit Commission shows in their thought-provoking reports.

### Labour Party

- Although crude and universal council tax capping should go, we will retain reserve powers to control excessive council tax rises.
- Local business concerns are critical to good local government. There are sound democratic reasons why, in principle, the business rate should be set locally, not nationally. But we will make no change to the present system for determining the business rate without full consultation with business.

### DAY 12 POLITICAL LANDSCAPE VE AND LABOUR MANIFESTO'

(CONSERVATIVE AND LABOUR MANIFESTO'S: 2024)





### DAY 13 THE NEXT FIVE YEARS



#### "THE NEXT FIVE YEARS"

#### **National**

#### England and the Devolved Administrations

- Elections
- Economy
- · Levelling-up
- · Social Security Reform

#### Local Government

- Funding
- Taxation / Fees
- Structure
- · Delivery of Services

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### DAY 13 THE NEXT FIVE YEARS



"THE NEXT FIVE YEARS"

**Local Property Taxes** 

#### Council Tax

- Valuation
- Liability
- Reliefs
- Recovery

#### Non-Domestic Rate

- Valuation
- Liability
- · Reliefs
- Recovery

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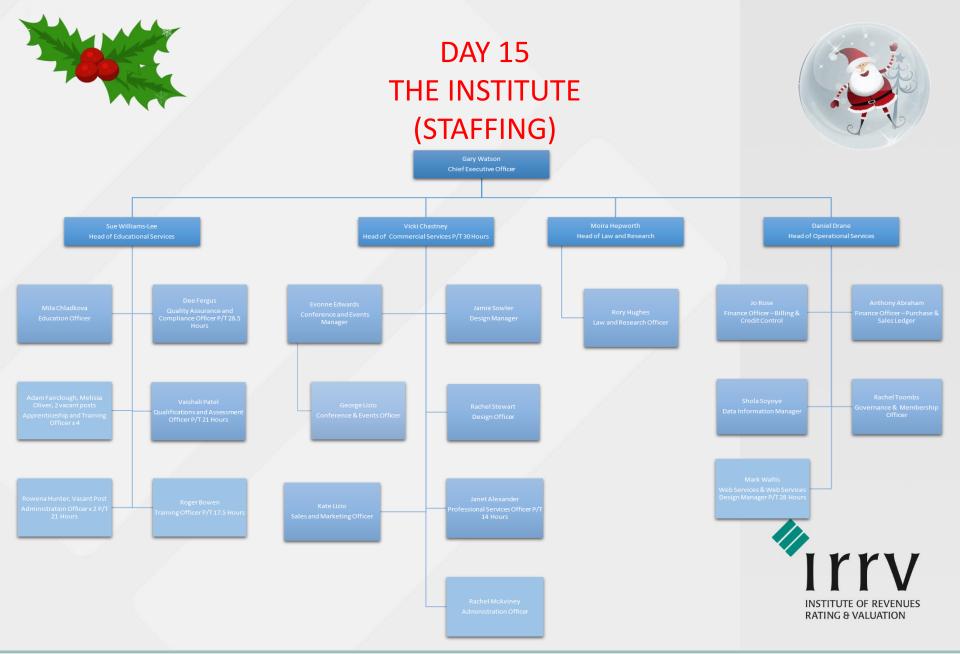


# DAY 14 THE INSTITUTE (GOVERNANCE)



- National Council
- Review of Documents
  - > Articles of Association
  - Standing Orders
  - > Financial Regulations
- Financial Position
- Communication
  - > Web Site
  - > Social Media











## DAY 16 THE INSTITUTE (COMMERCIAL SERVICES)



#### Conferences

- > Spring: Milton Keynes (16 & 17 May 2024)
- > Scotland: Glasgow (4 & 5 May 2024)
- > Annual: Telford (8 to 10 October 2024)
- Performance Awards
- Professional Meetings and Training Courses
- Subscription Services
  - > Forums
  - **Publications**
  - > Jobs Online
  - Online learning





# DAY 17 THE INSTITUTE (EDUCATION & MEMBERSHIP)



### Professional Qualifications

- ➤ Level 3: Technician
- ➤ Level 4: Apprenticeship
- ➤ Level 5: Diploma
- > Level 6: Honours

### Distance Learning Course

- Examinations
- Membership
  - > Personal
  - ➤ Organisational





# DAY 18 THE INSTITUTE (LAW & RESEARCH)



### Faculty Boards

- **Benefits**
- ➤ Local Taxation & Revenues
- ➤ Valuation

### Relationships

- > Government
- Agencies
- > Devolved Administrations
- > Professional Bodies

### Response to Consultations

https://www.irrv.net/homenew/item.php?wid=20&iid=27305



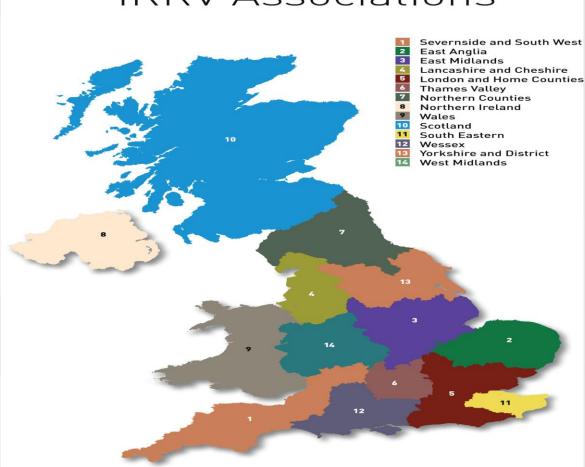




# DAY 19 THE INSTITUTE (ASSOCIATIONS)









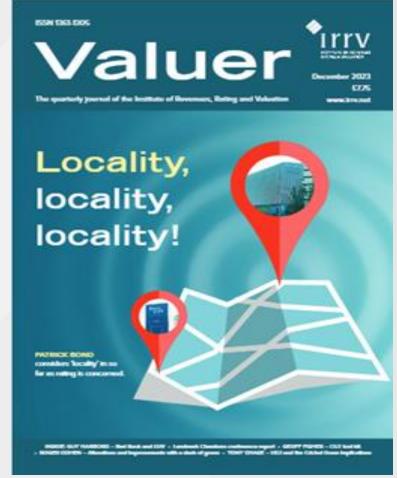




# DAY 20 THE INSTITUTE (MAGAZINES)









### **DAY 21** THE INSTITUTE (NEWSLETTER)



#### IRRV Newsletter 20th November 2023 to 26th November 2023

**IRRV** Events IRRV Events IRRV Calender IRRV Calender IRRV: 'The first 25 Years' IRRV: 'The first 25 Years' **IRRV Contacts** IRRV Contacts Job Vacancies Job Vacancies General News Legislation Case Law Consultations / Inquiries / Surveys etc. Gov.UK / Gov.Scot / Gov.Wales / Northern Ireland Alerts Department for Levelling Up, Housing & Communities (DLUHC) Department for Works and Pensions (DWP) Valuation Office Agency / Scottish Assessor / Land and Property Services (NI) Valuation Tribunal Service (England and Wales) and Upper Tribunal (Lands Chamber) Insolvency Service Local Government and Social Care Ombudsman Money & Pensions Service **IRRV Products and Services** Products and Services

Past Editions

conversations and negotiate effectively E conference@irrv.org.uk T: 020 7691 8987 W: Go to Website Business Rates - Preparing for the New Financial Year 12 December 2023: Virtual











# DAY 22 THE INSTITUTE (CERTIFICATES: MEMBERSHIP)







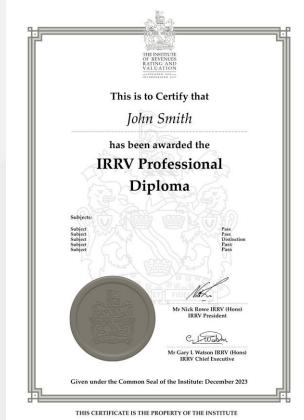


# DAY 22 THE INSTITUTE (CERTIFICATES: QUALIFICATIONS)











## DAY 23 THE FUTURE?











## DAY 23 QUESTIONS?





