

## Non-Domestic Rating (Public Lavatories) Bill [HL] HL Bill 185 of 2017–19

### Summary

- The [Non-Domestic Rating \(Public Lavatories\) Bill \[HL\]](#) is a government bill that introduces a 100% mandatory business rates relief for public lavatories in England and Wales.
- The Ministry of Housing, Communities and Local Government contends that this would decrease the cost of running public lavatories and help make them more affordable to keep open.
- The bill was introduced in the Lords on 18 June 2019 and is scheduled to receive its second reading on 10 July 2019.

### Background

At present, all non-domestic properties (whether publicly or privately owned), such as public lavatories, are liable to pay non-domestic rates (known as ‘business rates’) unless they have been specifically exempted or removed from paying them. The Local Government Finance Act 1988 provides for local authorities to compile lists of units of rateable property (also known as ‘hereditaments’). As part of this, it establishes whether a hereditament on the local rating list is liable for business rates, how the liability is calculated, and when various reliefs which remove that liability in whole or in part can be applied. To modify the rules on how the ‘chargeable amount’ is calculated, or to introduce a mandatory business rates relief on them, primary legislation is needed.<sup>1</sup>

Concern has recently been expressed by the Royal Society for Public Health about the rate at which public lavatories have been closing.<sup>2</sup> Figures obtained by the BBC through freedom of information requests have shown that at least 673 public toilets across the UK have stopped being maintained by major councils since 2010.<sup>3</sup> The data, which was supplied by 376 of the 430 councils in the UK, reveals that there were 4,486 toilets run by major councils in the UK in 2018, down from 5,159 toilets in 2010. The data shows that the councils stopped maintaining approximately 13% of public toilets between 2010 and 2018. The BBC also claimed that the data masked “big regional variations”. For instance, Cornwall Council had stopped maintaining 94% of its toilets and the figure was 80% in North Ayrshire.<sup>4</sup>

The closure of public lavatories has often been attributed to increasing pressure on local authority budgets. According to Raymond Martin, director of the British Toilet Association (a not-for-profit campaign group for better public toilets), despite the “immense pressure” on council budgets, councils, have continued to try to halt the decline in public lavatories despite having no legal obligation to do so.<sup>5</sup> A spokesperson for the Local Government Association stated that “with substantial reductions to their budgets”, councils had to “make tough choices”.<sup>6</sup>

To reduce the cost of maintaining public toilets, the Government has introduced measures to support those operating them. In the 2018 budget, the Chancellor of the Exchequer, Philip Hammond, stated

that public or private owners would no longer pay business rates on public toilets. The tax relief would apply to any standalone facilities for public use.<sup>7</sup> However, the relief would not apply to toilets in larger hereditaments, such as those in public libraries. The Non-Domestic Rating (Public Lavatories) Bill [HL] would implement that commitment by providing, in effect, a 100% mandatory relief from business rates for eligible public lavatories in England and Wales.

In recent years, the Labour Party has been critical of cuts to local authority budgets. In September 2018, the Shadow Secretary of State for Communities and Local Government, Andrew Gwynne, contended that local council budgets were “stretched to breaking point” and called for “sustainable funding” for local services.<sup>8</sup>

### **Provisions of the Bill**

The bill is formed of four clauses. Clause 1 outlines the relief from non-domestic rates for public lavatories. It would amend section 43 of the Local Government Finance Act 1988 so that there is no chargeable amount in relation to hereditaments which consist wholly or mainly of a public lavatory.

Clause 2 would make consequential amendments, reflecting the changes made to the 1988 Act by clause 1. This includes amending section 13 of the Business Rate Supplements Act 2009 to provide a 100% relief from business rate supplements for hereditaments that qualify for the new relief. In addition, it amends the current regulations made under section 57A of the 1988 Act (the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016). This provides for the application of liabilities to business rates for certain hereditaments for a transitional period following the latest revaluation on non-domestic hereditaments that took place on 1 April 2017.

Lastly, clauses 3 and 4 detail the extent, commencement, and short title of the bill. The legislation would apply to England and Wales. Clauses 1 and 2 of the bill will come into force in accordance with commencement regulations made by the Secretary of State in relation to England, and by Welsh Ministers in relation to Wales. Clauses 3 and 4 will come into force on royal assent.

### **Further Information**

- Ministry of Housing, Communities and Local Government, [‘Factsheet: Non-Domestic Rates \(Public Lavatories\) Bill’](#), 19 June 2019

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<sup>1</sup> Ministry of Housing, Communities and Local Government, '[Factsheet: Non-Domestic Rates \(Public Lavatories\) Bill](#)', 19 June 2019.

<sup>2</sup> Royal Society of Public Health, '[Taking the P\\*\\*\\*—The Decline of the Great British Public Toilet](#)', 30 May 2019, p 3.

<sup>3</sup> Lora Jones and Rachel Schraer, '[Reality Check: Public Toilets Mapped](#)', BBC News, 15 August 2018.

<sup>4</sup> *ibid.*

<sup>5</sup> Rebecca Smithers, '[Use Our Loos Campaign Urges UK Firms to Open Toilets to Non-Customers](#)', *Guardian*, 8 August 2018.

<sup>6</sup> *ibid.*

<sup>7</sup> [HC Hansard, 29 October 2018, cols 663–4.](#)

<sup>8</sup> Labour Party, '[Andrew Gwynne Responds to Analysis Showing Eleven Councils Most at Risk from Cuts](#)', 7 September 2018.

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