

**EXPLANATORY MEMORANDUM TO**  
**Valuation (Telecommunications, Natural Gas and Water) (Amendment)**  
**Regulations (Northern Ireland) 2015**

**S.R. 2015 No. 147**

**1. Introduction**

- 1.1. This Explanatory Memorandum has been prepared by the Department of Finance and Personnel (“the Department”) to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2. The Statutory Rule is made under paragraphs (4) and (5) of Article 37 of, and paragraph 5 of Part 1 of Schedule 12 to, the Rates (Northern Ireland) Order 1977 (S.I. 1977/2157 (N.I. 28)) and is subject to the negative resolution procedure.

**2. Purpose**

- 2.1. These Regulations amend the Valuation (Telecommunications, Natural Gas and Water) Regulations (Northern Ireland) 2010 ("the principal Regulations").
- 2.2. The principal Regulations make provision for the treatment as a single hereditament, for non-domestic rating purposes, of certain property which would otherwise be treated as several hereditaments.
- 2.3. These Regulations amend the principal Regulations to provide that electronic communications apparatus situated on a hereditament occupied for electronic communications purposes in such a way as to constitute a separate hereditament is to be treated together with the principal hereditament as a single hereditament in the occupation of the electronic communications operator entitled to payment for the use of the site by any other such operator.
- 2.4. Regulation 1 contains the citation and commencement provisions.
- 2.5. Regulation 2 amends the principal Regulations by inserting a new regulation 3A (treatment of electronic communications apparatus).

**3. Background**

- 3.1. For the purposes of calculating rates a unit of property is described as a hereditament with each hereditament appearing separately on a valuation list. The nature of telecommunications and natural gas undertakings requires companies working in these fields to occupy or own various properties in more than one place. Paragraph (4) of Article 37 of the Rates (Northern Ireland) Order 1977 empowers the Department to prescribe, by Regulations, that anything which would (apart from the Regulations) be more than one hereditament shall be treated as one hereditament. In this way the various properties occupied or owned by any one company can be treated as one hereditament for the purposes of valuing the utility's network for rating purposes.

- 3.2. Paragraph (5) of Article 37 of the Rates (Northern Ireland) Order 1977 was introduced by paragraph 3 of Schedule 1 to the Rates (Amendment) Act (Northern Ireland) 2009 (c.8 (N.I.)) and empowers the Department to include certain rules in any Regulations made under Article 37(4). The Department may prescribe whether the single hereditament may be treated as occupied or unoccupied and who shall be treated as the owner or occupier of the hereditament.

#### **4. Consultation**

- 4.1. This amendment brings valuation practice for shared telecommunication mast sites into line with practice in England and Wales. A targeted consultation of relevant industry stakeholders was undertaken during which no objections were raised.

#### **5. Equality Impact**

- 5.1. There are no equality impact implications as this rule is technical.

#### **6. Regulatory Impact**

- 6.1. A Regulatory Impact Assessment was not carried out as this is a technical market device linked to rating valuation assessment. The policy development was cognisant of the findings of the associated processes which accompanied the introduction of the measure in a wider GB context.

#### **7. Financial Implications**

- 7.1. It is expected that there will be little financial impact from this amendment with the majority of mast valuations remaining the same.

#### **8. Section 24 of the Northern Ireland Act 1998**

- 8.1. As the Regulations are technical and unrelated to Community law, there are no section 24 implications.

#### **9. EU Implications**

- 9.1. There are no relevant European Regulations or Directives.

#### **10. Parity or Replicatory Measure**

- 10.1. The following UK statutory instruments provide for the aggregation of all site sharers on telecommunication mast sites into a single rateable assessment; the Non-Domestic Rating (Telecommunications Apparatus) (England) Regulations 2000 (S.I. 2000/2421) and the Non-Domestic Rating (Telecommunications Apparatus) (Wales) Regulations 2000 (S.I. 2000/3383 (W. 221)).

#### **11. Additional Information**

- 11.1. Not applicable.