
STATUTORY INSTRUMENTS

2023 No. 1357

RATING AND VALUATION, ENGLAND

The Non-Domestic Rating (Improvement Relief) (England) Regulations 2023

Made - - - - *11th December 2023*
Laid before Parliament *14th December 2023*
Coming into force - - *1st April 2024*

The Secretary of State makes these Regulations in exercise of the powers conferred by section 143(1) and (2) of, and paragraphs 3(1)(b) and (2) and 10(7) and (8) of Schedule 4ZA and paragraphs 3(1)(c)(ii) and (3) and 6(6) and (7) of Schedule 5A to, the Local Government Finance Act 1988(1) and section 17(2) of the Non-Domestic Rating Act 2023(2).

Citation, commencement, extent and application

1.—(1) These Regulations may be cited as the Non-Domestic Rating (Improvement Relief) (England) Regulations 2023 and come into force on 1st April 2024.

(2) These Regulations extend to England and Wales and apply in relation to England only.

Interpretation

2. In these Regulations—

“the Act” means the Local Government Finance Act 1988;

“appropriate valuation officer”—

- (a) in relation to a hereditament in respect of which regulations under section 53(1) of the Act (contents of central lists)(3) are in force, means the central valuation officer;
- (b) in relation to any other hereditament, means the valuation officer compiling or maintaining a local non-domestic rating list(4) in which the hereditament is shown;

(1) 1988 c. 41. Schedules 4ZA and 5A were inserted by sections 1 and 3 of the Non-Domestic Rating Act 2023 (c. 53). See paragraph 11 of Schedule 4ZA and paragraph 7 of Schedule 5A for the definition of “the appropriate national authority”. See section 146(6) for the definition of “prescribed”.

(2) 2023 c. 53. See section 17(3) for the definition of “the appropriate national authority”.

(3) Section 53(1) was amended with retrospective effect by section 139 of, and paragraph 29 of Schedule 5 to, the Local Government and Housing Act 1989 (c. 42). The Central Rating List (England) Regulations 2005 (S.I. 2005/551) were made under section 53(1).

(4) See section 41(1) of the Local Government Finance Act 1988 (c. 41) for the meaning of “local non-domestic rating list”.

“company” has the meaning given by section 1(1) of the Companies Act 2006⁽⁵⁾;

“holding company” and “subsidiary” have the meanings given by section 1159 of the Companies Act 2006;

“new hereditament” means a hereditament which comes into existence because—

- (a) property previously rated as a single hereditament becomes liable to be rated in parts;
- (b) property previously rated in parts becomes liable to be rated as a single hereditament;
- (c) a hereditament or any part of a hereditament becomes part of a different hereditament;

“qualifying improvement works” has the meaning given by regulation 4;

“qualifying period”, in relation to a hereditament, means the period mentioned in paragraph 3(1)(a) of Schedule 4ZA or in paragraph 3(2) of Schedule 5A to the Act;

“relevant certificate” means a certificate issued under regulation 5;

“relevant predecessor hereditament”, in relation to a new hereditament, means a hereditament in relation to which the qualifying improvement works were commenced or which includes land which formed part of that hereditament.

Conditions for relief

3.—(1) The conditions prescribed for the purposes of paragraph 3(1)(b) of Schedule 4ZA and paragraph 3(1)(c)(ii) of Schedule 5A to the Act are that—

- (a) a relevant certificate has been issued in relation to the hereditament,
- (b) the certificate has not been withdrawn or ceased to have effect under regulation 7, and
- (c) the same person has been the occupier⁽⁶⁾ in relation to that hereditament, or a relevant predecessor hereditament, on each day during the relevant period.

(2) For the purposes of paragraph (1)(c), where a person has a qualifying connection with another person, they are to be treated as the same person.

(3) A person has a qualifying connection with another—

- (a) where both persons are companies, and—
 - (i) one is a subsidiary of the other, or
 - (ii) both are subsidiaries of the same company, or
- (b) where only one person is a company, the other person (“the second person”) has such an interest in that company as would, if the second person were a company, result in its being the holding company of the other.

(4) In this regulation “relevant period” means the period beginning with the day on which the qualifying improvement works were commenced and ending with the chargeable day concerned.

Meaning of qualifying improvement works

4.—(1) For the purposes of paragraph 3(2) of Schedule 4ZA and paragraph 3(3) of Schedule 5A to the Act “qualifying improvement works”, in relation to a hereditament, means any works completed before 1st April 2028 which—

- (a) increase the area of the hereditament which comprises a building,
- (b) otherwise improve the physical state of the hereditament,
- (c) add rateable plant and machinery to the hereditament, or

(5) 2006 c. 46.

(6) See section 65 of the Local Government Finance Act 1988 for the meaning of “occupier”.

- (d) are associated with the works described in sub-paragraphs (a) to (c) and which reduce the rateable value of the hereditament.
- (2) Works falling within paragraph (1)(d) are to be treated as the same set of qualifying improvement works as those with which they are associated.
- (3) In this regulation—
 - (a) references to “hereditament” include references to any relevant predecessor hereditament;
 - (b) “rateable plant and machinery” means any plant and machinery assumed to be part of the hereditament in accordance with the Valuation for Rating (Plant and Machinery) (England) Regulations 2000(7).

Relevant certificate of qualifying improvement works

- 5.—(1) Subject to paragraph (7), where the appropriate valuation officer is satisfied that—
 - (a) qualifying improvement works have been completed in relation to a hereditament, and
 - (b) the conditions in paragraphs (2) and (3) are satisfied,that officer must certify the amount of the change (if any) in the rateable value of the hereditament which appears to the officer to be attributable to the qualifying improvement works.
- (2) The condition is that the qualifying improvement works are completed on or after 1st April 2024.
- (3) The condition is that the hereditament was shown in a list for each day during the period beginning with the day on which qualifying improvement works commenced and ending on the day on which those works were completed.
- (4) Where, as a result of qualifying improvement works a new hereditament is created, the appropriate valuation officer must issue a certificate under paragraph (1) in relation to the new hereditament.
- (5) Subject to paragraph (6), for the purposes of issuing a certificate in accordance with paragraph (4) the appropriate valuation officer must assume that the new hereditament was in existence immediately prior to the commencement of the qualifying improvement works.
- (6) In making the assumption mentioned in paragraph (5), the appropriate valuation officer must assume that immediately prior to the commencement of the qualifying improvement works—
 - (a) any new part of the new hereditament created as a result of those works did not exist, and
 - (b) any improvements to the new hereditament as a result of those works had not occurred.
- (7) Where it appears to the appropriate valuation officer that the change in the amount of the rateable value attributable to the qualifying improvement works is nil (or is a negative amount) a certificate may be, but is not required to be, issued under paragraph (1).
- (8) Where the change in the amount mentioned in paragraph (7) is a negative amount, where a certificate is issued the amount must be certified as nil.
- (9) Where more than one set of qualifying improvement works has been completed in relation to a hereditament, the amounts falling to be certified under paragraph (1) in relation to each set of qualifying improvement works may be shown in a single certificate.
- (10) In this regulation—
 - (a) except in paragraphs (4), (5) and (6), references to “hereditament” include references to any relevant predecessor hereditament;

- (b) “new part” in relation to a new hereditament, means any part of the new hereditament which did not form part of a relevant predecessor hereditament prior to the commencement of the qualifying improvement works, including any new building or an extension to an existing building.

Calculation of the amount of G

6.—(1) The amount of G prescribed for the purposes of paragraph 10(7) of Schedule 4ZA and paragraph 6(6) of Schedule 5A to the Act in relation to each chargeable day within the qualifying period is the amount certified by the appropriate valuation officer under regulation 5(1).

(2) Where more than one set of qualifying improvement works has been completed in relation to a hereditament and where paragraph (3) applies, G is the sum of the amounts certified in relation to each set of works.

(3) This paragraph applies where the chargeable day falls within the qualifying period in relation to each set of works.

Certificates: general

7.—(1) The appropriate valuation officer must certify the amount of the change in rateable value which falls to be certified under these Regulations as soon as practicable after the circumstances calling for the certification come to the appropriate valuation officer’s attention (whether by virtue of an application by the ratepayer or otherwise).

(2) Where, whether by reason of a decision of the Valuation Tribunal for England⁽⁸⁾ or otherwise, the appropriate valuation officer forms the opinion that a certificate under these Regulations is inaccurate, the appropriate valuation officer must certify the amount of rateable value which in the appropriate valuation officer’s opinion should be substituted for that originally certified.

(3) A certificate under these Regulations has effect for each day beginning with the date that the circumstances which led to the certification (or amended certification) first arose but ceases to have effect where paragraph (4) applies.

(4) This paragraph applies where the hereditament to which the certificate relates is no longer shown in a list⁽⁹⁾ for any day during the qualifying period, in relation to that day and any subsequent chargeable day.

(5) Where, in the course of maintaining a list⁽¹⁰⁾ in relation to days falling within the qualifying period, the appropriate valuation officer forms the opinion that, as a result of a material change of circumstances, the amount of the change mentioned in regulation 5(1) is different from that certified under that paragraph, the officer must certify the different amount.

(6) A certification under paragraph (5) has effect from the date on which the material change of circumstances has occurred but ceases to have effect where paragraph (4) applies.

(7) Where, in the course of compiling a list⁽¹¹⁾ during the qualifying period, the appropriate valuation officer forms the opinion that the amount of the change mentioned in regulation 5(1) is different from that certified under that paragraph, the officer must certify the different amount.

(8) A certification under paragraph (7) has effect from the date on which the list is compiled but ceases to have effect where paragraph (4) applies.

⁽⁸⁾ Established by Part 1 of Schedule 11 to the Local Government Finance Act 1988.

⁽⁹⁾ See section 67(1) of the Local Government Finance Act 1988 for the meaning of “list”.

⁽¹⁰⁾ See sections 41 and 52 of the Local Government Finance Act 1988 for the duty of the valuation officer to maintain a list.

⁽¹¹⁾ See sections 41 and 52 of the Local Government Finance Act 1988 for the duty of the valuation officer to compile a list. Paragraph 2(3) of Schedule 6 to that Act provides that rateable value for the purposes of compiling a list is to be determined by reference to the day on which the list is compiled or such preceding day as may be specified by the Secretary of State by Order.

(9) A certification under these Regulations or a specification under paragraph (10)(d) may be made as an amendment to an existing certificate.

(10) A certificate under these Regulations must specify the date on which—

- (a) the certificate (or an amendment to the certificate) takes effect in accordance with paragraph (3), (6) or (8);
- (b) the qualifying improvement works were completed;
- (c) the qualifying period ends or, where a certificate has been issued in accordance with regulation 5(9), that date in relation to each set of works;
- (d) the certificate ceases to have effect in accordance with paragraph (4) (where applicable).

(11) Where the appropriate valuation officer is satisfied that a certificate has been issued in error the officer may withdraw the certificate.

(12) The appropriate valuation officer certifying the amount of rateable value or specifying a date in pursuance of these Regulations must—

- (a) notify the billing authority in whose area the hereditament is situated, or, in so far as it relates to a liability under section 54 of the Act (central rating: liability), the Secretary of State of the effect of the certificate;
- (b) provide a copy of the certificate (or amended certificate) to the ratepayer.

(13) The copy of the certificate provided to a ratepayer under paragraph (12)(b) may be—

- (a) sent to—
 - (i) the ratepayer’s last known address,
 - (ii) the address of the hereditament,
 - (iii) the ratepayer by electronic communication, or
- (b) posted on an electronic portal.

(14) Where a certificate is provided in accordance with paragraph (13)(b) the appropriate valuation officer must notify the ratepayer by electronic communication that the copy of the certificate is posted on the electronic portal.

(15) Where a certificate is withdrawn under paragraph (11) the appropriate valuation officer must give notice of the withdrawal of the certificate—

- (a) to the billing authority mentioned in paragraph (12)(a) or to the Secretary of State (as the case may be), and
- (b) to the ratepayer by providing the notice by one of the means mentioned in paragraph (13).

(16) The information contained in a certificate issued under these Regulations must be retained by the appropriate valuation officer who issued it for a period of six years from the date of issue.

(17) In this regulation—

“electronic communication” has the meaning given by section 15(1) of the Electronic Communications Act 2000(12);

“electronic portal” means an online facility provided by the appropriate valuation officer for use in connection with the provision of certificates under these Regulations;

“material change of circumstances”, in relation to a hereditament, means a change in any of the matters mentioned in paragraph 2(7) of Schedule 6 to the Act(13).

(12) 2000 c. 7. Section 15(1) was amended by section 406(1) of, and paragraph 158 of Schedule 17 to, the Communications Act 2003 (c. 21).

(13) Paragraph 2(7) was amended by section 139 of, and paragraph 38 of Schedule 5 to, the Local Government and Housing Act 1989 (c. 42).

Amendment of the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2022

8. In the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2022⁽¹⁴⁾, in regulation 3 (interpretation) after paragraph (2) insert—

“(3) Subject to paragraph (4), a reference in these Regulations to the rateable value shown, or which would have been shown, in a list for a hereditament or against the name of a designated person⁽¹⁵⁾ for any day is taken to be a reference to the value found by applying the definition of “A” in paragraph 10(2) of Schedule 4ZA or paragraph 6(2) of Schedule 5A to the Act (as the case may be).

(4) Paragraph (3) does not apply in relation to references to rateable value in the following provisions of these Regulations—

- (a) regulation 5;
- (b) paragraph 1(c) of the Schedule.”.

Signed by authority of the Secretary of State for Levelling Up, Housing and Communities

Simon Hoare
Parliamentary Under Secretary of State
Department for Levelling Up, Housing and
Communities

11th December 2023

⁽¹⁴⁾ [S.I. 2022/1403](#), amended by Part 2 of the Schedule to the Non-Domestic Rating Act 2023 (c. 53) and [S.I. 2023/1251](#).

⁽¹⁵⁾ See regulation 3(1) of the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2022 ([S.I. 2022/1403](#)) for the definition of “designated person”.

EXPLANATORY NOTE

(This note is not part of these Regulations)

These Regulations, which apply in relation to England only, have effect for the purposes of determining eligibility for, and calculating the amount of improvement relief from, non-domestic rating liability.

Regulation 3, together with paragraph 3 of Schedule 4ZA and paragraph 3 of Schedule 5A to the Local Government Finance Act 1988 (“the 1988 Act”), provides the conditions to be satisfied to obtain improvement relief.

Regulation 4 prescribes the meaning of “qualifying improvement works” for the purpose of eligibility for improvement relief.

Regulations 5 and 7 make provision requiring the appropriate valuation officer to certify rateable values for the purposes of the application of the rules in these Regulations.

Regulation 6 prescribes the amount of G which determines the amounts of relief to be given to particular hereditaments under the formulas in paragraph 1 of Schedule 4ZA and paragraph 1 of Schedule 5A to the 1988 Act.

Regulation 8 makes amendments to the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2022 ([S.I. 2022/1403](#)) consequential on the introduction of improvement relief.

An impact assessment has not been produced for this instrument because it amends an existing local tax regime. Publication of a full impact assessment is not necessary for such legislation.