
STATUTORY INSTRUMENTS

2024 No. 184

RATING AND VALUATION, ENGLAND

The Non-Domestic Rating (Rates Retention and Renewable Energy Projects) (Amendment) Regulations 2024

<i>Made</i>	- - - -	<i>20th February 2024</i>
<i>Laid before Parliament</i>		<i>22nd February 2024</i>
<i>Coming into force</i>	- -	<i>1st April 2024</i>

The Secretary of State makes these Regulations in exercise of the powers conferred by section 143(1) and (2) of, and paragraphs 8, 10 and 40 of Schedule 7B to, the Local Government Finance Act 1988(1).

Before making these Regulations, the Secretary of State has consulted such persons as he thinks fit in accordance with paragraph 40(8) of Schedule 7B.

These Regulations are made with the consent of the Treasury in accordance with paragraphs 8(3) and 40(10) of Schedule 7B.

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Non-Domestic Rating (Rates Retention and Renewable Energy Projects) (Amendment) Regulations 2024.

(2) These Regulations come into force on 1st April 2024.

(3) These Regulations extend to England and Wales.

Amendment of the Non-Domestic Rating (Rates Retention) Regulations 2013

2. In the Non-Domestic Rating (Rates Retention) Regulations 2013(2), in Schedule 2, in paragraphs 2(1)(b) and 3(1)(b) and (1A)(b) (qualifying relief for deduction from central share), omit the words from “, but disregarding” to “particular undertaking”.

Amendment of the Non-Domestic Rating (Renewable Energy Projects) Regulations 2013

3. The Non-Domestic Rating (Renewable Energy Projects) Regulations 2013(3) are amended in accordance with regulations 4 to 9.

(1) 1988 c. 41. Schedule 7B was inserted by section 1 of, and Schedule 1 to, the Local Government Finance Act 2012 (c. 17).
(2) S.I. 2013/452, relevant amending instruments are S.I. 2016/317, 2016/1268, 2017/318, 2018/463 and 2019/709.
(3) S.I. 2013/108, amended by S.I. 2017/1132.

Amendment to regulation 2 (interpretation)

4. In regulation 2, in the definition of “biomass”, for “article 4 of the Renewables Obligation Order 2009” substitute “article 3 of the Renewables Obligation Order 2015(4)”.

Amendments to regulation 7 (class B: existing renewable power stations)

5.—(1) Regulation 7 is amended as follows.

(2) In paragraph (2)—

(a) in sub-paragraph (b), for the words from “local” to “England” substitute “list”;

(b) for sub-paragraph (c) substitute—

“(c) the rateable value for the hereditament is greater than the notional baseline.”.

(3) After paragraph (2), insert—

“(2A) For the purposes of this regulation, the notional baseline is—

(a) for a day falling within the period beginning with 1st April 2018 and ending with 31st March 2024, the amount calculated in accordance with the formula—

$$X \times \frac{Y}{Y1}$$

where—

X is the rateable value shown for the hereditament in the list for 31st March 2013;

Y is the rateable value shown for the hereditament in the list for 1st April 2017;

Y1 is the rateable value shown for the hereditament in the list for 31st March 2017;

(b) for a day falling within the period beginning with 1st April 2024 and ending with 31st March 2026, the amount calculated in accordance with the formula—

$$X1 \times \frac{Y2}{Y3}$$

where—

X1 is the notional baseline for 31st March 2024;

Y2 is the rateable value shown for the hereditament in the list for 1st April 2023;

Y3 is the rateable value shown for the hereditament in the list for 31st March 2023;

(c) for a day on or after 1st April 2026, the amount calculated in accordance with the formula—

$$J \times \frac{Z}{Z1}$$

where—

J is the notional baseline for the last day on which the list immediately preceding the current list was in force;

(4) [S.I. 2015/1947](#), to which there are amendments not relevant to these Regulations.

Z is the rateable value shown for the hereditament in the list for the day on which the current list was compiled;

Z1 is the rateable value shown for the hereditament in the list for the last day on which the list immediately preceding the current list was in force(5).”.

(4) In paragraph (3), omit “on 1st April 2017”.

(5) After paragraph (3), insert—

“(4) In this regulation—

“list” means a local non-domestic rating list for the area of a billing authority in England which shows the hereditament concerned;

“current list” means the list in force on the day concerned.”.

Amendments to regulation 8 (class C: renewable power stations created from class B hereditaments)

6.—(1) Regulation 8 is amended as follows.

(2) In paragraph (2)—

(a) in sub-paragraph (b), for the words from “local” to “England” substitute “list”;

(b) for sub-paragraph (c), substitute—

“(c) the rateable value for the hereditament is greater than the notional baseline; and”.

(3) After paragraph (2), insert—

“(2A) For the purposes of this regulation, the notional baseline is—

(a) for a day falling within the period beginning with 1st April 2018 and ending with 31st March 2024, the amount calculated in accordance with the formula—

$$X \times \frac{Y}{Y1}$$

where—

X is the notional 31st March 2013 rateable value in respect of the hereditament determined in accordance with Schedule 1 or 2 (as the case may be);

Y is the rateable value shown for the hereditament in the list for 1st April 2017;

Y1 is the rateable value shown for the hereditament in the list for 31st March 2017;

(b) for a day falling within the period beginning with 1st April 2024 and ending with 31st March 2026, the amount calculated in accordance with the formula—

$$X1 \times \frac{Y2}{Y3}$$

where—

X1 is the notional baseline for 31st March 2024;

(5) By virtue of section 41(3) of the Local Government Finance Act 1988, a list comes into force on the day on which it is compiled and remains in force until the next one is compiled.

Y2 is the rateable value shown for the hereditament in the list for 1st April 2023;

Y3 is the rateable value shown for the hereditament in the list for 31st March 2023;

- (c) for a day on or after 1st April 2026, the amount calculated in accordance with the formula—

$$J \times \frac{Z}{Z1}$$

where—

J is the notional baseline for the last day on which the list immediately preceding the current list was in force;

Z is the rateable value shown for the hereditament in the list for the day on which the current list was compiled;

Z1 is the rateable value shown for the hereditament in the list for the last day on which the list immediately preceding the current list was in force.”.

- (4) In paragraph (3), omit “on 1st April 2017”.

- (5) After paragraph (3), insert—

“(4) In this regulation, “list” means a local non-domestic rating list for the area of a billing authority in England which shows the hereditament concerned.”.

Amendments to regulation 15 (calculation of the amount to be disregarded: class B)

- 7.—(1) Regulation 15 is amended as follows.

- (2) In paragraph (1)—

- (a) in the definitions of F, G and H, omit “local non-domestic rating”;
- (b) in the definitions of F and G, for “the rateable value shown for 31st March 2013”, substitute—

“—

- (a) for a day falling within the period beginning with 1st April 2013 and ending with 31st March 2023, the rateable value shown for 31st March 2013;

- (b) for a day on or after 1st April 2023, the notional baseline”;

- (c) for the definition of J, substitute—

“J is the notional baseline.”.

- (3) After paragraph (1), insert—

“(1A) For the purposes of this regulation, the notional baseline is—

- (a) for a day falling within the period beginning with 1st April 2013 and ending with 31st March 2017, the rateable value shown for the hereditament in the list for 31st March 2013;

- (b) for a day on or after 1st April 2017, the amount calculated in accordance with the formula—

$$X \times \frac{Y}{Y1}$$

where—

X is the notional baseline for the last day on which the list immediately preceding the current list was in force;

Y is the rateable value shown for the hereditament in the list for the day on which the current list was compiled;

Y1 is the rateable value shown for the hereditament in the list for the last day on which the list immediately preceding the current list was in force.”.

(4) In paragraph (2), omit “on 1st April 2017”.

(5) After paragraph (2), insert—

“(3) In this regulation, “list” means a local non-domestic rating list for the area of a billing authority in England which shows the hereditament concerned.”.

Amendments to regulation 16 (calculation of the amount to be disregarded: class C)

8.—(1) Regulation 16 is amended as follows.

(2) In paragraph (1)—

(a) in the definitions of K, L and H, omit the words “local non-domestic rating”;

(b) in the definitions of K and L, for the words from “the notional 31st March” to “(as the case may be)” substitute—

“—

(a) for a day falling within the period beginning with 1st April 2013 and ending with 31st March 2023, the notional 31st March 2013 rateable value determined in accordance with Schedule 1 or 2 (as the case may be);

(b) for a day on or after 1st April 2023, the notional baseline”;

(c) for the definition of M, substitute—

“M is the notional baseline.”.

(3) After paragraph (1), insert—

“(1A) For the purposes of this regulation, the notional baseline is—

(a) for a day falling within the period beginning with 1st April 2013 and ending with 31st March 2017, the notional 31st March 2013 rateable value in respect of the hereditament determined in accordance with Schedule 1 or 2 (as the case may be);

(b) for a day on or after 1st April 2017, the amount calculated in accordance with the formula—

$$X \times \frac{Y}{Y1}$$

where—

X is the notional baseline for the last day on which the list immediately preceding the current list was in force;

Y is the rateable value shown for the hereditament in the list for the day on which the current list was compiled;

Y1 is the rateable value shown for the hereditament in the list for the last day on which the list immediately preceding the current list was in force.”.

(4) In paragraph (2), omit “on 1st April 2017”.

(5) After paragraph (2), insert—

“(3) In this regulation, “list” means a local non-domestic rating list for the area of a billing authority in England which shows the hereditament concerned.”.

Amendments to regulation 19 (change in rateable value on 1st April 2017)

- 9.—(1) Regulation 19 is amended as follows.
- (2) In the heading, omit “on 1st April 2017”.
- (3) In paragraphs (1) and (2)—
- (a) for “1st April 2017”, in each place those words occur, substitute “the day on which the list is compiled”;
- (b) for “31st March 2017”, in each place those words occur, substitute “the day before the day on which that list is compiled”.
- (4) In paragraph (3), for “1st April 2017” substitute “a day on which a list is compiled”.

We consent to the making of these Regulations

19th February 2024

Joy Morrissey
Scott Mann
Two of the Lords Commissioners of His
Majesty’s Treasury

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

20th February 2024

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

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make amendments to the Non-Domestic Rating (Renewable Energy Projects) Regulations 2013 (S.I. 2013/108) (the “Principal Regulations”) consequential on the compilation of new non-domestic rating lists on 1st April 2023. The Principal Regulations operate on the basis that any increase in rateable value from 31st March 2013 can be attributed to a change in the hereditament or its use. When new lists are compiled, the rateable values of hereditaments are reassessed (a “revaluation”). Therefore, hereditaments may have seen changes in rateable value compared with 31st March 2013 without there necessarily having been a change to the hereditament. Regulations 4 to 9 of these Regulations amend the Principal Regulations so that, when comparing rateable values with those as of 31st March 2013, any changes attributable to a revaluation are not taken into account.

Regulation 4 updates the definition of “biomass” by reference to the latest relevant legislation. Regulations 5 and 6 amend the factors by reference to which classes B and C are designated. Regulations 7 and 8 amend the calculation of the amount to be disregarded in respect of hereditaments within those classes. Regulation 9 amends the modification in relation to cases where there has been a change to the rateable value of the hereditament which is not attributable to a revaluation.

Regulation 2 of these Regulations makes amendments to the Non-Domestic Rating (Rates Retention) Regulations 2013 (S.I. 2013/452) consequential on the United Kingdom’s withdrawal from the European Union.

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.