

**2023 No. 1247**

**RATING AND VALUATION, ENGLAND**

**The Non-Domestic Rating (Heat Networks Relief) (England)  
Regulations 2023**

<i>Made</i>	- - - -	<i>21st November 2023</i>
<i>Laid before Parliament</i>		<i>23rd November 2023</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) of, and paragraph 6(1)(b) and (2) of Schedule 4ZA to, the Local Government Finance Act 1988(a).

**Citation, commencement, extent, application and interpretation**

1.—(1) These Regulations may be cited as the Non-Domestic Rating (Heat Networks 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.

(3) In these Regulations—

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

“the appropriate authority” means the billing authority(b) in whose area a heat network is situated;

“heat network” has the meaning given by regulation 3.

**Conditions for relief**

2.—(1) For the purposes of paragraph 6(1)(b) of Schedule 4ZA to the Act, the conditions to be satisfied are that, for the period of 12 months beginning with the chargeable day concerned, it appears to the appropriate authority that the thermal energy supplied by the heat network will be derived from a low carbon source.

(2) The low carbon source referred to in paragraph (1) may be located on the hereditament concerned or on a different hereditament.

(3) In this regulation—

“low carbon source” is a source which generates heat, of which at least—

(a) 75% is cogeneration heat,

(b) 50% is renewable heat;

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(a) 1988 c. 41. Schedule 4ZA was inserted by section 1 of the Non-Domestic Rating Act 2023 (c. 53). See paragraph 11 of Schedule 4ZA for the definition of “the appropriate national authority”. See section 146(6) for the definition of “prescribed”.

(b) For the definition of “billing authority”, see section 144(2) of the Local Government Finance Act 1988 (c. 41).

- (c) 50% is waste heat, or
  - (d) 75% is a combination of renewable, waste or cogeneration heat;
- “cogeneration heat” is heat which is produced in the same process and at the same time as electrical or mechanical energy;
- “renewable heat” is heat which is generated by excepted renewables plant and machinery, as defined in paragraph (e) in Class 1 of the Schedule to the Valuation for Rating (Plant and Machinery) (England) Regulations 2000(a);
- “waste heat” is heat which is unavoidably generated as a by-product of another process and which would have no use other than for the purposes of a heat network.

### **Meaning of heat network**

**3.** For the purposes of paragraph 6(2) of Schedule 4ZA to the Act, “heat network” means a facility which supplies thermal energy from a central source to other locations for the purposes of—

- (a) space heating,
- (b) space cooling, or
- (c) heating domestic water.

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

21st November 2023

### **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

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

Regulation 2, together with paragraph 6 of Schedule 4ZA to the Local Government Finance Act 1988, provides the conditions to be satisfied to obtain heat networks relief.

Regulation 3 prescribes the meaning of “heat network” for the purpose of eligibility for heat networks 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.

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(a) S.I. 2000/540. Paragraph (e) of Class 1 in the Schedule was inserted by S.I. 2022/405. There are other amending instruments but none is relevant.



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