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**Chief Finance Officers of English Billing Authorities**

**FOR THE ATTENTION OF THE BUSINESS RATES SECTION**

Dear Chief Finance Officer

**Business Rates Information Letter (4/2022): Business Rates Revaluation 2023**

This is the fourth business rates information letter to be issued by the Department for Levelling Up, Housing and Communities this year. Previous letters are available on the internet at:

<https://www.gov.uk/government/collections/business-rates-information-letters>

or for archived letters:

<http://webarchive.nationalarchives.gov.uk/20120919132719/http://www.communities.gov.uk/localgovernment/localgovernmentfinance/businessrates/busratesinformationletters/>.

**This letter covers:**

- **Business rates revaluation 2023: decapitalisation rates**
- **Business Rates: ending of appeal rights on the 2017 rating list**
- **Outcome of consultation on the central rating list**

**Business rates revaluation 2023: the decapitalisation rates**

1. Decapitalisation rates are part of the rating valuations for certain specialist properties for which rental data is not available and which are instead valued based on construction costs – known as the contractor's basis of valuation. Unlike other aspects of valuations which are done independently by the Valuation Office Agency (VOA), these decapitalisation rates are set by Ministers.
2. The current decapitalisation rates were set in 2016 for all future rating lists by [The Non-Domestic Rating \(Miscellaneous Provisions\) \(No. 2\) Regulations 1989 \(Amendment\) \(England\) Regulations 2016 SI 2016 No. 777](#) at 2.6% for education,

healthcare and defence properties and 4.4% for other properties valued on the contractor's basis. Therefore, for the 2023 revaluation the decapitalisation rates will remain at the level set in 2016 of 2.6% and 4.4%.

### **Business Rates: ending of appeal rights on the 2017 rating list**

3. Under existing legislation, ratepayers would be able to initiate an appeal against their business rates assessment on the current 2017 rating list after the list has ended with the next revaluation in 2023. No end dates currently apply to these rights.
4. For previous rating lists, the rights to initiate an appeal have ended around the time of the end of the list. The government has decided that, in line with the position adopted on previous rating lists, the last day on which ratepayers will be able to initiate the appeal process on the 2017 rating list will be the last day of the list – 31 March 2023 (subject to the exceptions below). By “initiate the appeal process” the government means reach the stage of confirmation of check – the first stage of Check Challenge Appeal.
5. As before, there will be exceptions to this rule where:
  - a. the VOA have amended the 2017 list in which case the ratepayer will have 6 months from the VOA alteration; or
  - b. where the ratepayer believes their assessment is wrong due to a relevant court decision, in which case they will have 6 months from 31 March 2023
6. The government will bring forward regulations to implement these changes.

### **Consultation on the central rating list**

7. In August 2021 the government published a [consultation document](#) outlining their proposals for changes to the central rating list for the 2023 business rates revaluation. The government has now published [a summary of responses to the consultation and the government's response](#). The government has concluded that from 1 April 2023:
  - a. it will move certain large telecom networks and the Channel Tunnel Rail Link from local lists to the central rating list. As discussed in the consultation document, final decisions on whether to move individual networks will be made in consultation with the ratepayers concerned on a case by case basis. The Department will shortly contact representatives of those networks, and
  - b. that for the 2023 revaluation the mobile telecom sector should continue to be assessed on local rating lists in the normal way. The government will continue to keep this matter under review and look again at the evidence ahead of the 2026 revaluation.
8. As noted in the consultation document, the government will work with local government on the adjustments needed to the rates retention scheme as a result of moves to the central rating list and also movement in rates income more generally at the 2023 revaluation.