



Department for Levelling Up,
Housing & Communities

Non-Domestic Rates Team
LGF – Local Taxation
SE Quarter - 2nd Floor
Fry Building
2 Marsham Street
London SW1P 4DF

Email: ndr@levellingup.gov.uk.

31 March 2023

Chief Finance Officers of English Billing Authorities

FOR THE ATTENTION OF THE BUSINESS RATES SECTION

Dear Chief Finance Officer

Business Rates Information Letter (2/2023): Introduction of the NDR Bill, 2023 Spring Budget, 2023/24 Heat Network Rate Relief Scheme Guidance and Additional Information

This is the second 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:

- **Introduction of the Non-Domestic Rating (NDR) Bill**
- **Spring Budget**
- **2023/24 Heat Network Rate Relief Scheme Guidance**
- **Valuation for Rating (Coronavirus) (England) Regulations 2023**
- **Rating Lists (Valuation Date) (England) Order 2023**
- **New Burden Payments**
- **Interest Rate for 2023/2024**

Introduction of the Non-Domestic Rating (NDR) Bill

On 29 March the Government introduced the Non-Domestic Rating (NDR) Bill into Parliament. The Bill is the culmination of the Government's 2019 manifesto commitment to review and reform business rates. The subsequent 2020 Review of Business Rates took a broad view of the system and, at its conclusion, committed to substantial reforms to make the business rates system fairer and more responsive for all ratepayers.

The Bill is available at: <https://bills.parliament.uk/bills/3442>.

Spring Budget 2023

At the Spring Budget on 15 March 2023, the Chancellor announced amongst other actions that the government would consult on measures to tackle business rates avoidance and evasion. The Department will provide further information in due course.

Local authorities may also wish to be aware that alongside the Budget, the government published a number of business rates documents, the links to these and outline details are set out below:

- The Business Rates Technical Consultation: summary of responses and Non-Domestic Rating Information and Impact Note (NDRIIN) which is available at: <https://www.gov.uk/government/consultations/business-rates-review-technical-consultation>.
- The Valuation Office Agency's Business Rates: Transparency and Disclosure consultation publication which is available at: <https://www.gov.uk/government/consultations/consultation-on-disclosure-sharing-information-on-business-rate-valuations>.
- HMRC - Digitalising Business Rates, Summary of responses which is available at: <https://www.gov.uk/government/consultations/digitalising-business-rates-connecting-business-rates-and-tax-data>.

2023/24 Heat Network Rate Relief Scheme Guidance

As set out in the BRIL of 15 February 2023, the government has published the guidance for local authorities on the operation of the Heat Networks relief scheme for 2023/24. The scheme is substantially unchanged from the guidance published for 2022/23. It will continue to be delivered using local authorities' discretionary powers for 2023/24 until the relief is made mandatory through the Non-Domestic Rating Bill.

The guidance is available at:

<https://www.gov.uk/government/publications/business-rates-heat-network-relief-local-authority-guidance-2023-24>

Valuation for Rating (Coronavirus) (England) Regulations 2023

The Valuation for Rating (Coronavirus) (England) Regulations 2023 were laid before Parliament on 2 March 2023. The regulations concern the operation of the Material Change of Circumstances (MCC) mechanism by which ratepayers can request changes to their valuation during the life of a rating list.

The regulation come into force on 1 April 2023 and prescribe assumptions that should be made when considering an MCC in relation to coronavirus. They will ensure that legislation, advice or guidance from a public authority that relates to coronavirus should be regarded as having been reflected at the valuation date for this list, 1 April 2021, rather than being a 'material change of circumstances' which could lead to changes of rateable value between general revaluations.

The regulations are available at:

<https://www.legislation.gov.uk/ukxi/2023/240/contents/made>

Rating Lists (Valuation Date) (England) Order 2023

The Rating Lists (Valuation Date) (England) Order 2023 were laid before Parliament on the 2 March 2023. The regulations concern the date on which the following revaluation will base its valuations, also known as the Antecedent Valuation Date (AVD). The regulations set the AVD at 1 April 2024. The Non-Domestic Rating Bill will, subject to Parliament, amend the date of the next revaluation to 1 April 2026.

The regulations are available at:

<https://www.legislation.gov.uk/ukxi/2023/231/contents/made>

New Burden Payments

Following Business Rates Information Letter 7/2022 of 21 December 2022. We shall be publishing a Grant Determination which will provide total allocations to each authority and a breakdown by each relief measure. Payments will be made on 31 March.

Interest Rate for 2023/24

The Non-Domestic Rating (Payment of Interest) Regulations 1990 provide that the rate of interest payable on refunds of overpaid rates, arising from alterations to the rating list, should be set for any year at one percentage point below the standard rate at 15 March (or the next business day) in the preceding year.

I am writing to confirm that on 15 March 2023, the standard rate was 4.0%; therefore, the rate of interest to be applied for the rating year 1 April 2023 to 31 March 2024 is 3.0%. Billing authorities are responsible for the local administration of non-domestic rates; this includes billing and collection. Where local billing teams are unsure regarding a billing issue and how interest should be calculated, in the first

instance, they should approach their legal team for advice or contact a relevant professional organisation.