



Non-Domestic Rating Act 2023

2023 CHAPTER 53

Valuation and multipliers

14 Alterations to lists: matters not to be taken into account in valuation

(1) In Schedule 6 to the Act (valuation)—

- (a) in paragraph 2(5), at the end insert “(but this is subject to paragraph 2ZA)”;
- (b) in paragraph 2(6), at the end insert “(but this is subject to paragraph 2ZA)”;
- (c) in paragraph 2(7)—

(i) for paragraph (a) substitute—

“(a) matters affecting the physical state of the hereditament,

(aa) matters affecting the physical enjoyment of the hereditament,”;

(ii) for paragraph (d) substitute—

“(d) matters affecting the physical state of the locality in which the hereditament is situated,

(da) matters which, though not affecting the physical state of the locality in which the hereditament is situated, are nonetheless physically manifest there, and”;

(d) after paragraph 2 insert—

“2ZA (1) Sub-paragraph (2) applies for the purposes of—

- (a) compiling a list on or after 1 April 2026, where the day by reference to which the rateable value of a non-domestic hereditament in England is to be determined is a day specified under paragraph 2(3)(b), and
- (b) altering a list compiled on or after 1 April 2023.

(2) In making a determination or a further determination as to the rateable value of a hereditament situated in England for the purposes for which this paragraph applies, no account is to be

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taken of any change to a matter within paragraph 2(7)(aa), (da) or (e) that—

- (a) is directly or indirectly attributable to a relevant factor, and
- (b) in a case within sub-paragraph (1)(a), occurs after the day by reference to which the rateable value is to be determined but on or before the day on which the list is to be compiled.

(3) The relevant factors are—

- (a) legislation of any country or territory;
- (b) provision that is not within paragraph (a) but is made under, and given effect by, legislation of any country or territory;
- (c) advice or guidance given by a public authority of any country or territory;
- (d) anything done by a person with a view to compliance with anything within paragraph (a), (b) or (c).

(4) Sub-paragraph (2) does not apply to the making of a determination to the extent that it concerns whether a hereditament or some part of a hereditament—

- (a) is or is not a domestic property, or
- (b) is or is not exempt from local non-domestic rating.

(5) In this paragraph—

“legislation” includes any provision of a legislative character;

“public authority” includes any person exercising functions of a public nature.”

(2) In the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009 (S.I. 2009/2268), in regulation 4 (circumstances in which proposals to alter a rateable value shown in a list may be made), in paragraph (1)(b), at the end insert “(but this is subject to paragraph 2ZA of Schedule 6 to the Act)”.

(3) The amendment made by subsection (1)(d) has effect in relation to a change to a matter whether it occurs before or after that subsection comes into force.

15 Multipliers

(1) Schedule 7 to the Act (non-domestic rating multipliers) is amended as follows.

(2) Before Part 1 insert—

“PART A1

NON-DOMESTIC RATING MULTIPLIERS: ENGLAND

CHAPTER 1

INTRODUCTION

- A1 This Part of this Schedule has effect to determine, in relation to England, for each chargeable financial year—
- (a) the non-domestic rating multiplier, and
 - (b) the small business non-domestic rating multiplier.
- A2 In this Part—
- (a) Chapter 2 makes provision about the calculation of the non-domestic rating multiplier;
 - (b) Chapter 3 makes provision about the calculation of the small business non-domestic rating multiplier;
 - (c) Chapter 4 makes provision about the making, and the giving of notice, of such calculations;
 - (d) Chapter 5 makes provision about the interpretation of terms used in this Part;
 - (e) Chapter 6 makes provision about regulations under this Part.

CHAPTER 2

THE NON-DOMESTIC RATING MULTIPLIER

Revaluation years

- A3 The non-domestic rating multiplier for a revaluation year is to be calculated in accordance with the formula—

$$\frac{A \times C \times E}{D \times F}$$

Other years

- A4 (1) The non-domestic rating multiplier for a chargeable financial year other than a revaluation year is—
- (a) the default amount, or
 - (b) if the Secretary of State makes an adjustment to that amount under [sub-paragraph \(3\)](#), that amount as adjusted.
- (2) The default amount is to be calculated in accordance with the formula—

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$$\frac{A \times C}{D}$$

- (3) The Secretary of State makes an adjustment to the default amount by adjusting it to reflect the extent to which the Secretary of State's last estimate of the total mentioned in [paragraph A10\(6\)](#) or [\(7\)](#) appears to the Secretary of State to differ from the actual total.

CHAPTER 3

THE SMALL BUSINESS NON-DOMESTIC RATING MULTIPLIER

Revaluation years

- A5 The small business non-domestic rating multiplier for a revaluation year is to be calculated in accordance with the formula—

$$\frac{B \times C \times E}{D \times F}$$

Other years

- A6 (1) The small business non-domestic rating multiplier for a chargeable financial year other than a revaluation year is—
- (a) the default amount, or
 - (b) if the Secretary of State makes an adjustment to that amount under [sub-paragraph \(3\)](#), that amount as adjusted.
- (2) The default amount is to be calculated in accordance with the formula—

$$\frac{B \times C}{D}$$

- (3) The Secretary of State makes an adjustment to the default amount by adjusting it to reflect the extent to which the Secretary of State's last estimate of the total mentioned in [paragraph A10\(6\)](#) or [\(7\)](#) appears to the Secretary of State to differ from the actual total.

CHAPTER 4

MAKING AND GIVING NOTICE OF CALCULATIONS ETC

- A7 (1) The Secretary of State must—
- (a) calculate the non-domestic rating multiplier and the small business non-domestic rating multiplier for a chargeable financial year, and
 - (b) as soon as reasonably practicable after doing so, serve on each billing authority a notice stating the multipliers as so calculated.

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- (2) A notice under [sub-paragraph \(1\)\(b\)](#) must show how any calculation has been made and contain details of—
 - (a) any estimates that have been made under [paragraph A10\(6\)](#) or [\(7\)](#), including the date determined under [paragraph A11\(3\)](#) for the purpose of making those estimates, and
 - (b) any adjustments that have been made under [paragraph A4\(3\)](#) or [A6\(3\)](#)
 - (3) Where the chargeable financial year is one for which the Secretary of State has calculated a figure for D under [paragraph A10\(5\)\(b\)](#), the notice under [sub-paragraph \(1\)\(b\)](#) must contain that figure.
- A8 A calculation made by the Secretary of State under [paragraph A7](#) is invalid if it is made at a time when regulations under [paragraph A10\(4\)\(b\)](#) have not come into force which, if they had come into force, would be effective in relation to the year.
- A9 In calculating a multiplier a part of a whole (if any) is to be calculated to three decimal places only.

CHAPTER 5

INTERPRETATION

- A10 (1) This paragraph applies for the purposes of this Part of this Schedule.
- (2) “A” is the non-domestic rating multiplier for the financial year preceding the year concerned.
 - (3) “B” is the small business non-domestic rating multiplier for the financial year preceding the year concerned.
 - (4) “C” is—
 - (a) the consumer prices index for September of the financial year preceding the year concerned, or
 - (b) where the Treasury so provides by regulations in relation to the year and multiplier concerned, a figure which is less than the index mentioned in [paragraph \(a\)](#) and which is specified in, or calculated in a manner specified in, the regulations.
 - (5) “D” is—
 - (a) the consumer prices index for September of the financial year which precedes that preceding the year concerned (“the first year”), or
 - (b) where the base month for the consumer prices index for September of the first year differs from that for the index for September of the year which precedes the year concerned (“the second year”), the figure which the Secretary of State calculates would have been the consumer prices index for September of the first year if the base month for that index had been the same as the base month for the index for September of the second year.

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- (6) “E” is the number of whole pounds in the Secretary of State’s estimate of the total of the appropriate rateable values of all appropriate hereditaments, where—
- (a) “appropriate rateable values” are those which will be shown in lists for the last day of the financial year preceding the year concerned once all alterations to those lists have been made;
 - (b) “appropriate hereditaments” are those which will be shown in lists for that day once all alterations to those lists have been made.
- (7) “F” is the number of whole pounds in the Secretary of State’s estimate of the total of the appropriate rateable values of all appropriate hereditaments, where—
- (a) “appropriate rateable values” are those which will be shown in lists for the first day of the financial year concerned once all alterations to those lists have been made;
 - (b) “appropriate hereditaments” are those which will be shown in lists for that day once all alterations to those lists have been made.
- (8) “Revaluation year” means a chargeable financial year at the beginning of which new lists must be compiled (see sections 41(2A) and 52(2A)).
- A11 (1) References in [paragraph A10](#) to the consumer prices index are to—
- (a) the general index of consumer prices (for all items) published by the Statistics Board for the month concerned, or
 - (b) if that index is not published for the month concerned, any substituted index or index figures published by the Board.
- (2) For the purposes of [paragraph A10\(5\)\(b\)](#) the base month for the consumer prices index for September of a particular year is the month for which the consumer prices index is taken to be 100 and by reference to which the index for the September in question is calculated.
- (3) Estimates under [paragraph A10\(6\)](#) and (7) are to be made on the basis of information available to the Secretary of State on such date as the Secretary of State determines.
- (4) The reference in [paragraph A10\(7\)\(a\)](#) to rateable values which will be shown in lists for the first day of the chargeable financial year concerned once all alterations to those lists have been made includes a reference to rateable values which will be shown in lists for a later day as a result of any alterations of the lists because of the inaccuracy of the lists for that first day.

CHAPTER 6

REGULATIONS

- A12 (1) Regulations under [paragraph A10\(4\)\(b\)](#) are to be made by statutory instrument.
- (2) A statutory instrument containing regulations under [paragraph A10\(4\)\(b\)](#) is subject to annulment in pursuance of a resolution of the House of Commons.”

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- (3) In paragraph 5 (interpretation)—
- (a) in sub-paragraph (9B), for “retail” substitute “consumer”;
 - (b) after sub-paragraph (10) insert—
 - “(10A) In relation to England, in calculating a multiplier a part of a whole (if any) is to be calculated to three decimal places only—
 - (a) adding one thousandth where (apart from this sub-paragraph) there would be more than five ten-thousandths, and
 - (b) ignoring the ten-thousandths where (apart from this sub-paragraph) there would be five, or less than five, ten-thousandths.”;
 - (c) in sub-paragraph (11)—
 - (i) at the beginning insert “In relation to Wales,”;
 - (ii) omit paragraphs (a) and (b);
 - (d) for sub-paragraph (13C) substitute—
 - “(13C) A statutory instrument containing regulations under sub-paragraph (13A) may not be made unless a draft of the instrument has been laid before and approved by resolution of Senedd Cymru.”
- (4) In paragraph 6 (supplementary)—
- (a) omit sub-paragraph (4B);
 - (b) in sub-paragraph (4C) omit “also”.