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Consultation – Summary of Responses

Non-Domestic Rates

A technical consultation on the central rating list for the non-domestic rates revaluation 2023 – Summary of Responses

17 June 2022

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.
This document is also available in Welsh.

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Overview

This document provides a summary of the responses to the technical consultation on the non-domestic rates revaluation 2023: central rating list.

Action Required

This document is for information only.

Further information and related documents

Large print, Braille and alternative language versions of this document are available on request.

Contact details

For further information:
Local Government Finance Reform Division
Welsh Government
Cathays Park
Cardiff
CF10 3NQ
Email: LGFR.Consultations@gov.wales

Additional copies

This summary of response and copies of all the consultation documentation are published in electronic form only and can be accessed on the Welsh Government's website.

Link to the consultation documentation:

[Non-domestic rates revaluation 2023: central rating list | GOV.WALES](#)

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Introduction

1. The Welsh Government issued a [Written Statement](#) in August 2020 to move the next non-domestic rating (NDR) revaluation to 2023, to factor in the economic impact of the coronavirus pandemic.
2. Preparations are underway for new rating lists to be introduced in Wales from 1 April 2023. Units of property liable for NDR – called hereditaments – are normally assessed on rating lists held by billing authorities (local rating lists). The hereditaments appear on the local rating list for the billing authority area in which they are located. Hereditaments which cross more than one billing authority area appear in the local rating list which it appears to the Valuation Officer contains the largest part by value.
3. In addition to local rating lists, there is a central list which contains hereditaments which, by their nature, are unsuitable for inclusion in local rating lists (eg utility networks). The central rating list for Wales can be viewed on the Valuation Office Agency's (VOA) [website](#). Hereditaments appearing on the central rating list do not appear on local rating lists. The NDR bills for central list hereditaments are paid directly to the Welsh Government, whilst the NDR bills for hereditaments on local rating lists are paid to the relevant billing authority.
4. This consultation sought views on proposed changes to the central rating list for the 2023 NDR revaluation. It did not extend to the assessment of the rateable value of hereditaments or matters such as the rateability of plant and machinery and reliefs.
5. The consultation applied to Wales only.

Proposals

6. There are a number of hereditaments currently shown on local rating lists which may be more appropriately included on the central rating list. The consultation proposed moving certain hereditaments to the central rating list for the start of the next rating list, on 1 April 2023.

Telecommunications networks

7. The Welsh Government proposed to move large telecommunications (telecom) networks to the central rating list for the 2023 revaluation. Small private fibre lines were to remain on local rating lists.

The mobile telecom sector

8. The Welsh Government proposed to prescribe a single hereditament for each mobile telecom operator, covering their operational rateable equipment (such as their masts, poles, towers, fibres and their sites) and moving them to the central rating list for the 2023 revaluation.

9. The Welsh Government is reviewing how hereditaments in the mobile telecoms sector should be assessed to accommodate 5G. Each mobile telecom operator would then pay one NDR bill for Wales for all of its operational rateable land and equipment.

The Non-Domestic Rating (Telecommunications Apparatus) (Wales) Regulations 2000: ‘the mast-sharing regulations’

10. In 2000, the Welsh Government made regulations to provide that telecom masts which host the equipment of several mobile telecom operators should be treated as one assessment with the NDR liability paid by the site host.
11. The mast-sharing regulations were made to improve the administration of the NDR system and remove a potential barrier to encouraging mobile providers to share masts.
12. If other proposals were taken forward, the mast-sharing regulations could create uncertainty as to the valuation of the new central rating list assessments. The Welsh Government, therefore, proposed repealing the mast-sharing regulations, with effect from 1 April 2023.

Railways

13. The Welsh Government proposed that any new regional railway services that cross multiple billing authority areas, would be included on the central rating list.
14. Should local rail services, such as tram systems, be developed and be based primarily within one billing authority area, these would be likely to be recorded on the local rating list.

Engagement

15. Views were invited as part of a 12-week consultation period which began on 21 January 2022 and ended on 15 April 2022. The consultation was published on the consultation pages of the Welsh Government’s website. Respondents were able to submit their views and comments on paper, by email or online, and in Welsh or English.

Overview of responses

16. In total, the consultation received six responses, two of which were from local authorities, one was from a large telecom operator, one from a rating agent, one from a representative body, and one from an individual.
17. A full list of respondents is given in Annex A.

Summary of responses

18. This document is intended to be a summary of the responses received. It does not aim to capture every point raised by respondents but to highlight the key themes. Where responses were in agreement with the proposals, limited views were provided.

Q1. What are your views on the proposed treatment of telecom networks with regards to the Central Rating List?

19. Out of the six responses received, three were in favour of the proposal, while one was unsure. The large telecom operator cited concern regarding the method used for the valuation of fibre more broadly. The rating agent said that they would oppose the proposal if the mast-sharing regulations were revoked. They were of the view that, if the mast-sharing regulations are revoked, both mobile sites and fibre should remain in the local rating lists.

Q2. What are your views on the proposed treatment of the mobile telecom sector with regards to the Central Rating List?

20. Of the six responses received, three were in favour of the proposal on the basis that it would reduce the administrative burden on local authorities, while one was unsure. Both the large telecom provider and the rating agent were against the proposal. There were some concerns that it could have unintended consequences for ratepayers. One respondent suggested an alternative proposal for reducing the administrative burden in future, by retaining and amending the mast-sharing regulations to instigate local rating list aggregated assessments, so that all masts occupied by one ratepayer in one billing authority area are aggregated into one assessment.

Q3. What are your views on proposals to repeal the mast-sharing regulations?

21. Of the six responses received, three were in favour of the proposal, while one was unsure. The other two respondents were not in favour of the change as it would revoke the mast-sharing regulations, which in their opinion is a very robust and valuable piece of legislation.

Q4. What are your views on the proposed treatment of railway systems with regards to the Central Rating List?

22. Of the six responses received, three were in favour of the proposal, while one was unsure. The other two respondents did not comment.

23. The respondents in favour of the proposal did not elaborate on the reasons for their approval of the proposal.

Q5. The Welsh Government would like your views on the effects these proposals would have on the Welsh language, specifically on:

- i. opportunities for people to use Welsh; and**
- ii. on treating the Welsh language no less favourably than English. What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?**

24. Two respondents were of the view that the proposals would not have any detrimental effect on the use of Welsh language. The other respondents did not respond to this question.

Q6. Please also explain how you believe the proposals could be formulated or changed so as to have:

- i. positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language; and**
- ii. no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.**

25. Two respondents answered this question and were of the view that the proposals would not have any negative effects on the use of Welsh language.

Q7. We have asked a number of specific questions. If you have any related points which we have not specifically addressed, please use this space to record them.

26. One respondent suggested an annual report with the information regarding the movement in and out of the central list, as well as data on how revenue from the central list is distributed, should be published. The rest of the respondents did not answer this question.

Next steps

27. The Welsh Government recognises the comments made by the telecom sector in response to this consultation. As only a small number of businesses would be affected, the Welsh Government will directly engage with the relevant stakeholders prior to making any changes.

28. No changes will be made prior to the introduction of the next rating list, on 1 April 2023.

29. The largest telecom networks and any regional railway services may be considered for the central rating list in the future, in line with the principles for the central rating list and following engagement with individual ratepayers.

30. No changes will be made to the treatment of the mobile telecom sector and the mast-sharing regulations will not be revoked. Alternative approaches may be considered in future.

Annex A: List of respondents

Two respondents wished to remain anonymous. The other four respondents are as follows:

- Avison Young
- BT
- Denbighshire County Council
- Institute of Revenues, Rating and Valuation