

Non-Domestic Rating Bill

MARSHALLED
LIST OF AMENDMENTS
TO BE MOVED
IN GRAND COMMITTEE

The amendments have been marshalled in accordance with the Instruction of 19th June 2023, as follows –

Clauses 1 to 17 Schedule	Clauses 18 to 20 Title.
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[Amendments marked ★ are new or have been altered]

Amendment
No.

Clause 1

LORD RAVENSDALE

- 1★ Clause 1, page 2, line 25, at end insert –
- “(za) the chargeable day falls after the day on which qualifying energy efficiency improvements are completed,”

Member's explanatory statement

This amendment, and others to Clause 1 in the name of Lord Ravensdale, would allow qualifying energy efficiency improvements a time-unlimited level of improvement rate relief.

THE EARL OF LYTTON
LORD ETHERTON

- 2★ Clause 1, page 2, line 26, leave out “one year” and insert “five years”

Member's explanatory statement

This would extend the application of the improvement relief so that it applies to works carried out within a five year period.

LORD RAVENSDALE

- 3★ Clause 1, page 2, line 27, after “which” insert “other”

Member's explanatory statement

This amendment, and others to Clause 1 in the name of Lord Ravensdale, would allow qualifying energy efficiency improvements a time-unlimited level of improvement rate relief.

LORD RAVENSDALE

- 4★ Clause 1, page 2, line 33, leave out ““Qualifying improvement works” has” and insert ““Qualifying energy efficiency improvements” and “other qualifying improvement works” have”

Member's explanatory statement

This amendment, and others to Clause 1 in the name of Lord Ravensdale, would allow qualifying energy efficiency improvements a time-unlimited level of improvement rate relief.

BARONESS HAYMAN OF ULLOCK
BARONESS PINNOCK

- 5 Clause 1, page 4, line 14, leave out “2035” and insert “2050”

Member's explanatory statement

This is to probe the expiration date for the heat network relief.

Clause 3

THE EARL OF LYTTON
LORD ETHERTON

- 6★ Clause 3, page 12, line 31, leave out “one year” and insert “five years”

Member's explanatory statement

This would extend the application of the improvement relief so that it applies to works carried out within a five year period.

Clause 5

BARONESS PINNOCK
LORD SHIPLEY

- 7 Clause 5, page 16, line 4, leave out “third” and insert “second”

Member's explanatory statement

This amendment would require central non-domestic rating lists to be compiled every two years.

THE EARL OF LYTTON
LORD ETHERTON

8★ Clause 5, page 16, line 4, at end insert –

“(1A) After section 41(9) of the Act, insert –

“(10) The Secretary of State may by order amend subsection (2A) so as to require a list to be compiled on 1 April in a year less than three years since the compilation of the list which is in force for the time being.””

Member's explanatory statement

This, and other amendments to Clause 5 in the name of the Earl of Lytton, would enable rating lists of either one or two years' duration to be introduced by order (such orders being made using the affirmative resolution procedure), rather than requiring primary legislation.

BARONESS PINNOCK
LORD SHIPLEY

9 Clause 5, page 16, line 6, leave out “third” and insert “second”

Member's explanatory statement

This amendment would require central non-domestic rating lists to be compiled every two years.

THE EARL OF LYTTON
LORD ETHERTON

10★ Clause 5, page 16, line 6, at end insert –

“(2A) After section 52(8) of the Act, insert –

“(9) The Secretary of State may by order amend subsection (2A) so as to require a list to be compiled on 1 April in a year less than three years since the compilation of the list which is in force for the time being.””

Member's explanatory statement

This, and other amendments to Clause 5 in the name of the Earl of Lytton, would enable rating lists of either one or two years' duration to be introduced by order (such orders being made using the affirmative resolution procedure), rather than requiring primary legislation.

BARONESS PINNOCK
LORD SHIPLEY

11 Clause 5, page 16, line 12, leave out “three” and insert “two”

Member's explanatory statement

This amendment would make every second year from now on a relevant period for transitional provision under the 1988 Act.

LORD THURLOW
LORD ETHERTON

12★ Clause 5, page 16, line 14, at end insert –

“(4) After the next compilation of lists referred to in subsections (1) and (2) after the day on which this Act is passed, the Secretary of State must, by regulations made by statutory instrument, amend the Act to reduce the frequency with which those lists are compiled to every second year.

(5) Subsection (4) does not apply if the Valuation Office Agency and accredited experts in the field of non-domestic rates, including the Royal Institution of Chartered Surveyors and the Ratings Surveyors Association, advise the Secretary of State against it following the first compilation of lists referred to in subsections (1) and (2) after the day on which this Act is passed.”

Member's explanatory statement

A two yearly revaluation would provide ratepayers with a more up to date assessment of Rateable Value, fairer assessments, and may reduce the volume of appeals. This amendment would require a transition to two yearly revaluations unless the experience of the first three year cycle suggests it would be a mistake.

THE EARL OF LYTTON
LORD ETHERTON

13★ Clause 5, page 16, line 14, at end insert –

“(4) In section 143(3ZA) of the Act, after “section” insert “41(10),”.

(5) In section 143(3ZA) of the Act, after “45(4F)” insert “, 52(9)”.

Member's explanatory statement

This, and other amendments to Clause 5 in the name of the Earl of Lytton, would enable rating lists of either one or two years' duration to be introduced by order (such orders being made using the affirmative resolution procedure), rather than requiring primary legislation.

Clause 6

THE EARL OF LYTTON
LORD ETHERTON

14★ Clause 6, page 16, line 16, at end insert –

“(za) in subsection (5), at the end insert “save that the chargeable amount found in accordance with rules prescribed under this section may not be higher than what it would be apart from the regulations”;

Member's explanatory statement

This would secure the abolition of downwards caps in transitional relief regulations.

Clause 10

LORD THURLOW
LORD ETHERTON

15★ Clause 10, page 19, leave out lines 4 and 5 and insert –

“(2) V must disclose the information to P without delay if requested by P.”

Member's explanatory statement

This adds an obligation on the Valuation Office Agency to reveal their rental comparables/evidence used in arriving at a Rateable Value when challenged in the interests of transparency. This may satisfy ratepayer concerns at fairness early in the process and reduce the numbers resorting to appeal.

THE EARL OF LYTTON
LORD ETHERTON

16★ Clause 10, page 19, leave out lines 4 and 5 and insert –

“(2) Subject to sub-paragraph (4), V must disclose the information to P.”

Member's explanatory statement

This would remove the VO's discretion on whether or not to provide requested information to ratepayers, and to replace it with a duty on the VO to provide such information subject only to data protection legislation.

LORD THURLOW
LORD ETHERTON

17★ Clause 10, page 19, line 14, at end insert –

“(4A) Any information which may not be disclosed to the ratepayer is to be disregarded in arriving at rateable value.”

Member's explanatory statement

This amendment would ensure that confidential rental value information available to the VOA and which cannot be shared with the ratepayer is to be disregarded as comparable evidence, in the interests of transparency.

Clause 13

THE EARL OF LYTTON
LORD ETHERTON

18★ Clause 13, page 23, leave out lines 30 to 37

Member's explanatory statement

This, and other amendments to this Clause in the name of the Earl of Lytton, would remove the annual confirmation requirement for ratepayers.

THE EARL OF LYTTON
LORD ETHERTON

- 19★** Clause 13, page 23, line 38, leave out “and 4K”

Member's explanatory statement

This, and other amendments to this Clause in the name of the Earl of Lytton, would remove the annual confirmation requirement for ratepayers.

THE EARL OF LYTTON
LORD ETHERTON

- 20★** Clause 13, page 23, line 39, leave out “or annual confirmation (as the case may be)”

Member's explanatory statement

This, and other amendments to this Clause in the name of the Earl of Lytton, would remove the annual confirmation requirement for ratepayers.

THE EARL OF LYTTON
LORD ETHERTON

- 21★** Clause 13, page 24, line 15, at end insert –

“(4N) Where the valuation officer makes an alteration to a rating list in relation to notifiable information provided by P pursuant to paragraph 4J or 4K, and where the effect of the alteration is to increase P’s rating liability under the Act, that alteration may have retrospective effect only if it is made within 120 days of the provision by P of the notifiable information.”

Member's explanatory statement

This would ensure that ratepayers do not receive retrospective increases in their rating liabilities unless the VO acts promptly on receipt of ratepayer-provided information.

THE EARL OF LYTTON
LORD ETHERTON

- 22★** Clause 13, page 25, line 26, at end insert –

“(3A) No penalty notice may be imposed pursuant to paragraph 5ZC(1) or (3), and no offence is committed pursuant to paragraph 5ZC(2) (as the case may be), where P’s failure to comply, or P’s provision of false information, was made in reasonable reliance on any relevant guidance published by or on

behalf of the valuation officer, or any advice provided to P by or on behalf of the valuation officer.”

Member's explanatory statement

This would prevent the imposition of penalties where ratepayers' errors or omissions are the result of reasonable reliance on VOA guidance or advice.

THE EARL OF LYTTON
LORD ETHERTON

- 23★ Clause 13, page 27, line 12, leave out “£900” and insert “£500”

Member's explanatory statement

This, and other amendments to Clause 13 in the name of the Earl of Lytton, would correct what appears to be a typographical error in the Clause, so that the higher penalty is imposed for the more serious wrong; and to ensure that the daily additional penalty for continued non-compliance is not open-ended.

THE EARL OF LYTTON
LORD ETHERTON

- 24★ Clause 13, page 27, line 19, leave out “£500” and insert “£900”

Member's explanatory statement

This, and other amendments to Clause 13 in the name of the Earl of Lytton, would correct what appears to be a typographical error in the Clause, so that the higher penalty is imposed for the more serious wrong; and to ensure that the daily additional penalty for continued non-compliance is not open-ended.

THE EARL OF LYTTON
LORD ETHERTON

- 25★ Clause 13, page 27, line 24, at end insert –

“(4) P’s total liability under sub-paragraph (3) may not exceed £1,800.”

Member's explanatory statement

This, and other amendments to Clause 13 in the name of the Earl of Lytton, would correct what appears to be a typographical error in the Clause, so that the higher penalty is imposed for the more serious wrong; and to ensure that the daily additional penalty for continued non-compliance is not open-ended.

THE EARL OF LYTTON
LORD ETHERTON

26★ Clause 13, page 31, leave out lines 14 to 17 and insert—

“(b) a penalty arising under paragraph 5ZC(3), which is to be remitted unless the tribunal is satisfied beyond reasonable doubt that P knowingly or recklessly made a false statement (within the meaning of that paragraph).”

Member's explanatory statement

This would ensure that the burden of proof in the tribunal mirrors, rather than inverts, the criminal burden and standard of proof.

Clause 14

THE EARL OF LYTTON
LORD ETHERTON

27★ Clause 14, page 32, line 21, leave out “2023” and insert “2026”

Member's explanatory statement

This would delay the commencement of the alteration to the reality principle until the 2026 List enters force.

After Clause 15

BARONESS HAYMAN OF ULLOCK
LORD SHIPLEY

28 After Clause 15, insert the following new Clause—

“Reporting on VOA resources

The Secretary of State must publish an annual report on the resources made available to the Valuation Office Agency for non-domestic rating and whether they are sufficient for the Agency to fulfil its responsibilities under this Act.”

Member's explanatory statement

This is intended to probe whether the VOA is sufficiently resourced.

BARONESS HAYMAN OF ULLOCK
LORD SHIPLEY

29 After Clause 15, insert the following new Clause –

“Threshold for small business rate relief adjustment: impact assessment

Within 90 days of this Act receiving Royal Assent, a Minister of the Crown must lay before Parliament an assessment of the impact of reducing the threshold for small business rate relief on the future of the high streets.”

Member's explanatory statement

This is intended to probe the possibility of reducing the threshold for small business rate relief.

BARONESS PINNOCK

30 After Clause 15, insert the following new Clause –

“Non-domestic rating: retail sector review

- (1) The Secretary of State must conduct a review of the effect of non-domestic rateable values on the retail sector.
- (2) The review must be commissioned no later than six weeks after the date on which this Act is passed.
- (3) The review must assess the impact of non-domestic rateable values on competition between different parts of the retail sector, for example –
 - (a) stand-alone businesses operating from a single shop premises in a village, town or suburban high street setting,
 - (b) chain stores with multiple premises in city centres and out-of-centre shopping malls, or
 - (c) mainly online operations based on making deliveries from very large warehouses or fulfilment centres.
- (4) The report of the review must be laid before Parliament no later than 1 May 2024.”

Member's explanatory statement

This new clause would require a review of the differential impact of business rates on different parts of the retail sector.

LORD SHIPLEY

31 After Clause 15, insert the following new Clause –

“Non-domestic rating: hospitality sector review

- (1) The Secretary of State must conduct a review of the effect of non-domestic rateable values on the hospitality sector.
- (2) The review must be commissioned no later than six weeks after the date on which this Act is passed.

- (3) The review must assess the consistency of approach to setting of non-domestic rateable values between hospitality businesses occupying premises of similar size and trading style, including –
 - (a) public houses,
 - (b) restaurants,
 - (c) live performance theatres, and
 - (d) exhibition spaces.
- (4) The report of the review must be laid before Parliament no later than 1 May 2024.”

Member's explanatory statement

This new clause would require a review of the differential impact of business rates on different parts of the hospitality sector.

BARONESS PINNOCK

32 After Clause 15, insert the following new Clause –

“Non-domestic rating: impact assessment

- (1) The Secretary of State must publish an impact assessment concerning the provisions contained in this Act.
- (2) The impact assessment must consider the impact of –
 - (a) a three-yearly revaluation on the overall level of business rates revenue collected by local authorities;
 - (b) a three-yearly revaluation on business rates revenue of different local authorities;
 - (c) a three-yearly revaluation on the financial resilience of local authorities;
 - (d) the duty on ratepayers to provide information to the Valuation Office Agency set out in section 13 (requirements for ratepayers etc to provide information);
 - (e) the Act on the resources and capacity required by the Valuation Office Agency;
 - (f) temporary rate relief provided for by the Act on the United Kingdom’s net-zero targets.
- (3) The impact assessment must be laid before Parliament within 90 days of the passing of this Act.”

Member's explanatory statement

This amendment would require the Secretary of State to publish an impact assessment of the provisions contained in the Bill within 90 days of royal assent.

BARONESS PINNOCK
LORD SHIPLEY

33 After Clause 15, insert the following new Clause –

“Valuation Office Agency performance targets

- (1) The Secretary of State must within three months of the date on which this Act is passed prescribe by regulations performance targets for the Valuation Office Agency to respond to requests for updates to the central and local non-domestic rating lists and to challenges to the valuations on those lists.
- (2) The Secretary of State may by regulations made by statutory instrument require the Valuation Office Agency to report at least annually on its performance against targets under subsection (1) in such detail as the Secretary of State may require in or by virtue of those regulations.
- (3) The Secretary of State must lay before Parliament any reports made under subsection (2).
- (4) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of either House of Parliament.
- (5) Regulations under subsection (1) may not come into force until the impact assessment required by section (*Non-domestic rating: impact assessment*) has been laid before Parliament.”

Member's explanatory statement

This new clause would require annual reports from the VOA on its performance against targets to be set by the Secretary of State.

LORD SHIPLEY

34★ After Clause 15, insert the following new Clause –

“Non-domestic rating: accreditation of non-domestic rating advisors

- (1) Within 90 days of the day on which this Act is passed the Secretary of State must commence a consultation on the merits and practicability of a system of accreditation and the introduction of professional standards for non-domestic rating advisors.
- (2) The consultation must consider the benefits of introducing a criminal or financial penalty for failing to comply with accreditation and adhering to professional standards.
- (3) For the purposes of this section, a “non-domestic rating advisor” is defined as any person providing or attempting to provide rating advice on a commercial basis to the occupier of a non-domestic premises.
- (4) In carrying out the consultation under subsection (1) the Secretary of State must consult with the following non-exhaustive list of stakeholders –
 - (a) professional surveying bodies;

- (b) small and medium-sized business representatives;
 - (c) local authorities.
- (5) The Secretary of State must lay the findings of this consultation before both Houses of Parliament within one year of the commencement of the consultation.”

Member's explanatory statement

This amendment would require the Secretary of State to consult on the benefits and practicability of a system of accreditation for rating advisors. This amendment is seeking to explore an avenue to combating the rogue and unprofessional practices of some rating advisors.

BARONESS PINNOCK

35★ After Clause 15, insert the following new Clause –

“Review into non-domestic rating system reform

- (1) The Secretary of State must undertake a review of the extent to which the reforms to the non-domestic rating system set out in this Act –
 - (a) incentivise property improvements, and
 - (b) benefit businesses through more frequent revaluations.
- (2) The review must also consider further reforms to the non-domestic rating system, including the merits of devolving more control of the non-domestic rating system to local authorities.
- (3) The Secretary of State must lay a report of the review before each House of Parliament within one year of the day on which this Act is passed.”

Member's explanatory statement

This amendment would require the Secretary of State to conduct a review of the reforms to the non-domestic rating system as introduced by the provisions of this Bill.

Non-Domestic Rating Bill

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LIST OF AMENDMENTS
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IN GRAND COMMITTEE

29 June 2023

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