

# **POLICY DEVELOPMENT: NOT A STATEMENT OF GOVERNMENT POLICY**

## **Initial Central List analysis**

The following analysis looks at the broad effects on removing certain classes of hereditaments from local authority rating lists. These effects are shown by authority type in the annexed table. This analysis only shows the impact of removing them from local lists – depending on policy choices, these could move to a revised central list, or new area-level lists.

This analysis uses data available internally, and therefore we have anonymised the authorities affected – instead identifying them by type of authority. This analysis should only be taken to give a high level picture of the impact of removing certain hereditaments from local lists and cannot be expected to give an exact picture.

Types of hereditament are classified by special category (SCat) codes. These are used by the VOA for administrative and billing purposes. To give a sense of the impact of removing certain hereditaments from local lists, we have used the most relevant SCat codes. If we were to make this change to local lists, a more nuanced approach would need to be taken, assessing each local list in turn.

Following discussions at the Systems Design Working Group, we have selected certain SCat codes for properties that might be removed from local lists. Initial codes are those for:

- Nuclear Establishments (SCat 200)
- Oil Refineries (SCat 205)
- Power Generators (SCat 219)
- Telecommunications Cable Networks (National Scheme) (SCat 275)

We have also selected a number of SCat codes that broadly correspond with the categories of projects defined for planning purposes as nationally significant under Section 14 of The Planning Act 2008.<sup>1</sup> These represent types of hereditament for which local authorities do not exert planning control, and therefore have limited levers through which to manage changes in business rates income:

- Gas processing plants (SCat 115)
- Landfill gas generator sites (SCat 149)
- Pipelines (SCat 212)
- Civil airports (SCat 59)
- Air strips (National Scheme) (SCat 6)
- Docks and harbours (non statutory) (SCat 89)
- Statutory Docks and Harbours (Formula) (SCat 433)
- Statutory Docks and Harbours (Non-Formula Prescribed) (SCat 434)

---

<sup>1</sup> <http://www.legislation.gov.uk/ukpga/2008/29/contents>. It should be noted that subsequent schedules to this act detail thresholds for each type of development. These have not been considered as a part of this exercise.

## POLICY DEVELOPMENT: NOT A STATEMENT OF GOVERNMENT POLICY

- Statutory Docks and Harbours (Other) (SCat 435)
- Railways & Tramways (Non Leisure) (SCat 231)
- Water Undertakings (Non-Statutory) (SCat 300)

The effect of removing all classes of hereditament covered by these codes is to remove 3% of rateable value (or £1.46 billion) from local lists.

This is further detailed in the following tables:

**Table A: Average reduction by local authority type**

	Number of LAs	Average Reduction
London Borough	33	-2%
Metropolitan District	36	-1%
Shire District	201	-3%
Unitary Authority	56	-3%
<b>England</b>	<b>326</b>	<b>-3%</b>

**Table B: Distribution by percentage reduction and local authority type**

	-70% to -30%	-30% to -25%	-25% to -20%	-20% to -15%	-15% to -10%	-10% to -5%	-5% to -0%	No change
LB	1	0	0	0	0	0	24	8
MD	0	0	0	0	0	1	33	2
SD	6	1	3	2	3	11	159	16
UA	0	1	2	0	3	6	43	1
<b>ENGLAND</b>	<b>7</b>	<b>2</b>	<b>5</b>	<b>2</b>	<b>6</b>	<b>18</b>	<b>259</b>	<b>27</b>

**Table C: Average reduction by geographical region**

	Number of LAs	Average Reduction
East of England	47	-4%
East Midlands	40	-3%
London	33	-2%
North East	12	-3%
North West	39	-4%
South East	67	-3%
South West	37	-2%
West Midlands	30	-1%
Yorkshire & Humber	21	-4%
<b>England</b>	<b>326</b>	<b>-3%</b>

**POLICY DEVELOPMENT: NOT A STATEMENT OF GOVERNMENT POLICY**

**Table D: Distribution by percentage reduction and region**

	<b>-70% to -30%</b>	<b>-30% to -25%</b>	<b>-25% to -20%</b>	<b>-20% to -15%</b>	<b>-15% to -10%</b>	<b>-10% to -5%</b>	<b>-5% to -0%</b>	<b>No change</b>
EE	2	0	0	0	1	4	37	3
EM	1	0	2	1	0	2	32	2
L	1	0	0	0	0	0	24	8
NE	0	0	1	0	0	2	8	1
NW	2	0	0	0	1	2	31	3
SE	0	0	2	1	2	4	53	5
SW	0	1	0	0	1	1	33	1
WM	0	0	0	0	0	2	24	4
YH	1	1	0	0	1	1	17	0
<b>ENGLAND</b>	<b>7</b>	<b>2</b>	<b>5</b>	<b>2</b>	<b>6</b>	<b>18</b>	<b>259</b>	<b>27</b>

**Table E: Size of reduction by individual authority (with class):**

<b>Class</b>	<b>Reduction</b>
Shire District	-68%
Shire District	-45%
Shire District	-38%
Shire District	-36%
Shire District	-33%
London Borough	-31%
Shire District	-30%
Shire District	-29%
Unitary Authority	-29%
Unitary Authority	-24%
Shire District	-23%
Shire District	-23%
Shire District	-23%
Unitary Authority	-22%
Shire District	-20%
Shire District	-15%
Unitary Authority	-15%
Shire District	-12%
Unitary Authority	-12%
Unitary Authority	-12%
Shire District	-10%
Shire District	-10%
Shire District	-9%
Shire District	-9%
Shire District	-9%
Unitary Authority	-8%

**POLICY DEVELOPMENT: NOT A STATEMENT OF GOVERNMENT POLICY**

Unitary Authority	-8%
Shire District	-7%
Shire District	-7%
Shire District	-7%
Unitary Authority	-7%
Shire District	-6%
Shire District	-6%
Unitary Authority	-6%
Metropolitan District	-6%
Shire District	-6%
Shire District	-5%
Shire District	-5%
Unitary Authority	-5%
Unitary Authority	-5%
Shire District	-5%
Unitary Authority	-5%
Shire District	-5%
Unitary Authority	-5%
Unitary Authority	-5%

A further 100 local authorities would see their local list reduce by 1% to 5%.