EXPLANATORY MEMORANDUM TO

The Valuation (Telecommunications, Natural Gas and Water) Regulations (Northern Ireland) 2026

S.R. 2026 No. 90

1. Introduction

1.1. This Explanatory Memorandum has been prepared by the Department of Finance to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.

1.2. The Statutory Rule is made under Article 37(4) of the Rates (Northern Ireland) Order 1977 (S.I. 1977/2157(N.I. 28)) and is subject to the negative resolution procedure.

2. Purpose

2.1. These Regulations amend the Valuation (Telecommunications, Natural Gas and Water) Regulations (Northern Ireland) 2010 ("the principal Regulations").

2.2. The principal Regulations make provision for the treatment as a single hereditament, for non-domestic rating purposes, of certain property which would otherwise be treated as several hereditaments. The Schedule to the principal Regulations lists the telecommunications and natural gas companies currently operating in Northern Ireland and liable for rates on their property.

2.3. These Regulations amend the Schedule to the principal Regulations to provide an update of the gas transportation companies laid out in Part 2 of the Schedule to the principal Regulations.

2.4. Regulation 1 contains the citation and commencement provisions.

2.5. Regulation 2, and the Schedule, amend Part 2 of the Schedule to the principal Regulations.

3. Background

3.1. For the purposes of calculating rates a unit of property is described as a hereditament with each hereditament appearing separately on a valuation list. The nature of telecommunications and natural gas undertakings requires companies working in these fields to occupy or own various properties in more than one place. Paragraph (4) of Article 37 of the Rates (Northern Ireland) Order 1977 empowers the Department to prescribe, by Regulations, that anything which would (apart from the Regulations) be more than one hereditament shall be treated as one hereditament. In this way the various properties occupied or owned by any one company can be treated as one hereditament for the purposes of valuing the utility's network for rating purposes.

3.2. Paragraph (5) of Article 37 of the Rates (Northern Ireland) Order 1977 was introduced by paragraph 3 of Schedule 1 to the Rates (Amendment) Act 2009 (c.8) and empowers the Department to include certain rules in any Regulations made under Article 37(4). The Department may prescribe whether the single hereditament may be treated as occupied or unoccupied and who shall be treated as the owner or occupier of the hereditament.

4. Consultation

4.1. The Department did not consider it necessary to consult on these Regulations as they simply amend the principal Regulations to update changes to the gas transportation market in Northern Ireland and this is a recognised feature of the rating system.

5. Equality Impact

5.1. There are no equality impact implications as this rule is technical.

6. Regulatory Impact

6.1. A Regulatory Impact Assessment was not carried out as this is a technical market device linked to rating valuation assessment. The policy development in this area was conducted in line with the findings of the associated processes which accompanied the introduction of the measure in a wider UK context.

7. Financial Implications

7.1. There are no new financial implications arising from these Regulations.

8. Section 24 of the Northern Ireland Act 1998

8.1. As the Regulations are technical and unrelated to Community law, there are no section 24 implications.

9. EU Implications

9.1. There are no relevant European Regulations or Directives.

10. Parity or Replicatory Measure

10.1. The following UK statutory instruments provide that the many hereditaments of a named utility company shall be treated as one hereditament for the purposes of rating; the Non-Domestic Rating (Telecommunications and Canals) (Scotland) Order 1995 (S.I. 1995/239) (as amended), the Central Rating List (Wales) Regulations 2005 (S.I. 2005/422 (W.40)) (as amended) and the Central Rating List (England) Regulations 2005 (S.I. 2005/551) (as amended).

11. Additional Information

11.1. Not applicable.