



Department
for Environment
Food & Rural Affairs

Consultation on draft statutory instrument: The English Drainage Boards (Alternative Valuation Calculation) Regulations 2024

March 2024

We are the Department for Environment, Food and Rural Affairs. We are responsible for improving and protecting the environment, growing the green economy, sustaining thriving rural communities and supporting our world-class food, farming and fishing industries.

We work closely with our 33 agencies and arm's length bodies on our ambition to make our air purer, our water cleaner, our land greener and our food more sustainable. Our mission is to restore and enhance the environment for the next generation, and to leave the environment in a better state than we found it.



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1. Introduction

Defra is seeking views on the content of the draft statutory instrument (draft SI) *The English Drainage Boards (Alternative Valuation Calculation) Regulations 2024 (Annex A)*, which will enable implementation in England of [sections 94 to 97](#) of the [Environment Act 2021](#) that amend and insert various provisions in the Land Drainage Act 1991.

Internal drainage boards (IDBs) are independent, locally funded and operated, statutory public bodies, responsible for water level management and flood risk in areas of ‘special drainage need’ known as an internal drainage district. They are mainly funded locally through drainage rates paid directly by agricultural landowners and special levies issued to local authorities, based on valuation calculations as set out in [the Land Drainage Act 1991](#). These valuation calculations determine the proportional split between the charges for the agricultural (“chargeable properties”) and non-agricultural land (“other land”) in their districts.

In determining the special levies charge paid by local authorities, the Land Drainage Act 1991 refers to rateable values shown in a “non-domestic rating list of a charging authority on 1 April 1990” and “valuation list (for domestic properties) on 31 March 1990” ([section 37 \(5\)\(a\) and \(b\)](#) Land Drainage Act 1991). In many areas, however, these 1990s rating lists are no longer available; they are either missing or incomplete.

The draft SI provides an alternative valuation calculation that IDBs may use to value the land, allowing them to apportion their expenses between the beneficiaries of their work. Defra intends to keep the new valuation calculations as similar as possible to the current arrangement. Without the changes as set out in Environment Act 2021 and the supporting draft SI, existing IDBs cannot extend their boundaries, and new ones cannot be established.

2. Consultation details

Why are we consulting?

The Environment Act 2021 includes the land drainage measure ([section 94 to 97](#)) with an enabling power to address the technical issue of using historical data (1990 ratings lists) which is preventing new IDBs from being created and existing ones from expanding their boundaries.

Through the Environment Act 2021, we have amended [section 37](#) and [section 41](#) of the Land Drainage Act 1991, and inserted new provisions into that Act, to provide powers enabling a technical update of the valuation calculations for other land and chargeable properties to be included within secondary legislation. This will allow the special levies to be calculated using up-to-date council tax and business rates data available from the Valuation Office Agency, an executive agency of HM Revenue and Customs, and more up-to-date values for the drainage rates. Making this update via an SI will enable future updates to the valuation calculations to be made more easily and quickly, future proofing the process.

This consultation aims to gather feedback from external partners and those affected by the changes to the legislation to ensure the policy delivers as intended, effectively and without unintended consequences.

Audience

Responses to this consultation are welcomed from:

- IDBs;
- landowners, farmers that pay drainage rates to IDBs, or would be liable for such charges;
- local authorities that pay special levies to IDBs, or would be liable for such charges;
- others (for example, members of the public, non-governmental organisations, environmental groups, etc) with an interest in IDBs, water management, flood risk, etc.

Geographical scope

This consultation applies to England only. The draft SI will only apply to England and English IDBs. The Senedd Cymru will publish a separate SI covering Wales and Welsh drainage districts.

Body responsible for the consultation

This consultation is being carried out by the Waterways and Flood Water Management Team in Defra's Flood and Coastal Erosion Risk Management Division for the UK government. The purpose of this consultation is to seek views on the proposed content of the draft SI, delivering on the land drainage measure in Environment Act 2021 and making a technical update to the valuation calculations IDBs use in England.

Responding to the consultation

This consultation will start on 7 March 2024 and will close on 19 April 2024. This is a 6-week consultation.

We strongly encourage responses through Defra's Citizen Space consultation hub, an online consultation tool. Consultations receive a high level of interest across many sectors and using the online tool assists our analysis of responses, enabling more efficient and effective consideration of issues. The consultation can be completed online via Citizen Space, see at: <https://consult.defra.gov.uk/flooding/consultation-on-draft-statutory-instrument>

However, responses can be sent by email or post. We must receive these responses by the closing date: 19 April 2024. In your response please state: Your name; your email address; your type of organisation; and whether you would like your response to be confidential.

Please send responses to the email or postal address above (page 2).

If you have any queries on the consultation or need a hard copy of the document please email or write to us.

Consultation principles

This consultation is being conducted in line with the Cabinet Office “Consultation Principles”. These can be found at:

<https://www.gov.uk/government/publications/consultation-principles-guidance>

If you have any complaints about the consultation process, please address them by email to: consultation.coordinator@defra.gov.uk

Confidentiality and data protection

A summary of responses to this consultation will be published on the government website <http://www.gov.uk/defra> but will not include personal names, or other contact details. An annex to the consultation summary will list all organisations that responded. Defra may also publish some or all of the content of your response to this consultation.

Information in responses to this consultation may be subject to release to the public or other parties in accordance with freedom of information law (these are primarily the Environmental Information Regulations 2004 (EIRs), the Freedom of Information Act 2000 (FOIA) and the Data Protection Act 2018 (DPA)). We have obligations, mainly under the EIRs, FOIA and DPA, to disclose information to particular recipients or to the public in certain circumstances.

If you click on ‘Yes’ in response to the question asking if you would like anything in your response to be kept confidential, it would be helpful if you could explain to us why you regard the information you have provided as confidential. Your explanation for requesting confidentiality for all or part of your response would help us balance these EIRs, FOIA, and DPA obligations for disclosure against any obligation of confidentiality.

If we receive a request for disclosure of the information, we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

Questions

About you

Question 1. What is your name?

Question 2. What is your email address?

Question 3. Who are you responding as? (Select one option only):

- an individual. You are responding with your personal views, rather than as an official representative of a business, business association or other organisation.
- an IDB
- a farmer/landowner (those who pay or would pay drainage rates)
- a local authority (those who pay or would pay special levies)
- an environmental group (please specify)
- Other (please specify)

Question 4. Would you like your response to be confidential?

- Yes
- No

If you said yes, please give your reason.

3. Background on internal drainage boards

IDBs are primarily responsible for water level management and flood risk. There are currently [112 IDBs in England](#), covering approximately 10% of the land (predominantly low-lying areas in England – East Anglia, Kent, Lincolnshire, Somerset, Yorkshire).

Historically IDBs' focus was drainage of agricultural land; IDBs are currently responsible for the drainage of approximately 60% of Grade 1 agricultural land supporting a wide range of crops. Over time IDBs have developed and evolved to play a much wider role in managing water levels, reducing flood risk for both rural and urban communities (including protection of businesses and infrastructure) and in protecting and enhancing valuable wildlife habitats. They have permissive powers to maintain 22,000km of watercourses, supporting 50,000 farms and small holdings; reducing flood risk to ~800,000 properties, 1,500km railway, 210km of motorway and over 50 power generating sites. They also work in close partnership with the Environment Agency, Natural England, local authorities and others in carrying out their duties.

The Land Drainage Act 1991 consolidated all the existing legislation relating to IDBs, including the statutory order process for creating or modifying an IDB. In practice, where an IDB is being created or it wishes to make changes to their areas of operations they submit their proposal to the Environment Agency, who then submits a legal scheme ("Order") to the Secretary of State. Such an Order will only be made, after there has been suitable consultation on the changes and people given the chance to raise objections.

Where there is a desire to create new IDBs or to expand existing IDBs, the government welcomes these proposals, noting it is a matter of local choice. Any such proposals must be supported by the local community and partners, including local authorities. Where there is such support, the government will take forward proposals and make the necessary Order. Without the changes as recently set out in Environment Act 2021 and the supporting statutory instrument such proposals are not able to be proposed by local communities.

IDBs raising and apportioning expenses

IDBs' power to raise and apportion expenses is set out in the Land Drainage Act 1991 and the [Internal Drainage Boards \(Finance\) Regulations 1992](#) ("the 1992 Regulations). [Section 36](#) of the Land Drainage Act 1991 determines that the expenses of an IDB shall be met by:

- drainage rates collected directly from agricultural land and buildings within the internal drainage district; and
- special levies issued on local authorities within the internal drainage district to cover the other land (such as domestic houses, factories, shops etc). Occupiers of all other land pay council tax or non-domestic rates to the local council who are then charged by the IDB.

All properties within an internal drainage district are deemed to derive benefit from the activities of an IDB and therefore subject to a rate or charge paid annually. The proportion of drainage rates and special levies paid to each IDB is dependent upon the amount of

agricultural land and other land in the internal drainage district. IDBs may also receive income from other sources for example, the Environment Agency, rechargeable works, rents, loans, etc.

Drainage rates

IDBs raise income from farmers, landowners (via drainage rates on the agricultural land and buildings known as “chargeable properties” in the Land Drainage Act 1991). The value of chargeable properties is assessed by calculating the yearly rent which the land would be likely to yield if it were let from 1 April 1988, taking into account the character and situation of the holding and its productive capacity.

In each financial year, the IDBs must do an annual determination of the aggregate annual value of the chargeable properties (see under current apportionment of expenses on page 10). There is no express requirement in the Land Drainage Act 1991 or the 1992 Regulations for an IDB to undertake individual valuations of chargeable properties every year. However, an IDB has the power ([section 43](#) of the Land Drainage Act) 1991 to determine a new annual value of a chargeable property if it considers the amount should be increased or reduced, due to the agricultural land and buildings being upgraded or downsized. This allows the burden of drainage rates payable to be fairly distributed among all the chargeable properties in the district. A farmer or landowner may also request a new determination of the annual value of their chargeable property if they consider the value should be altered.

An occupier of chargeable property may appeal against an adjustment of annual values ([section 45](#) of the Land Drainage Act 1991). Appeals are heard by the Valuation Tribunal of England. Defra does not intend to change the appeals structure.

Special levies

IDBs raise income from local authorities via the special levies on non-agricultural land and buildings (known as other land in the Land Drainage Act 1991). In order to determine the special levies, IDBs use the following adjustment factors to calculate the value of other land ([section 37\(5\)](#) of the Land Drainage Act 1991):

- (a) rateable values for business properties outlined in the “non-domestic rating list of a charging authority on 1 April 1990” (one third of the rateable value for each property);
- (b) rateable values relating to domestic properties in a “valuation list on 31 March 1990” (one third of the notional rateable value shown for it in the list on that date multiplied by a factor of 6.73);
- (c) properties that are neither in the non-domestic rating list (as at “a” above) or categorised as a domestic property (at “b” above) but appeared, on 31 March 1990, in the register which the IDB was required to maintain under the [Registers of Drainage Boards Regulations 1968](#) (one third of the annual value shown for that property in that register on that date multiplied by a factor of 8.02);
- (d) in the case of any land which, as at 31 March 1990 was in the district but to which none of paragraphs (a) to (c) applies, and which did not then comprise agricultural land or agricultural buildings, a nil value;
- (e) in the case of any land to which none of paragraphs (a) to (d) applies, the amount calculated by multiplying—
 - i. the area of the land, expressed in hectares and parts of a hectare; by

- ii. such a unit value per hectare as represents the average value per hectare of all land

Note: The average value per hectare is calculated by dividing the total annual value of other land by the total area in hectares of other land.

We understand that the adjustment factors in (a) to (c) above were devised to balance the expenses between the special levies and drainage rates, and particularly to reduce the impact on charging local authorities.

In each financial year, IDBs must do an annual determination of the aggregate value of the other land. Local authorities pay the special levies in respect of residential and business properties in the internal drainage district, recouping these from occupiers through council tax. If there is more than one local authority, each authority pays a share in proportion to the aggregate value of property and land in their area.

Current apportionment of IDB expenses

In each financial year, prior to 15 February, IDBs are required under the Land Drainage Act 1991 ([section 37 \(2\)](#)) to do an annual determination of:

- (a) the aggregate annual value of the chargeable properties in the district; and
- (b) the aggregate value of all other land in that district.

A determination of the aggregate values is made as at 31 December each year. The IDB, after deducting other income received, will firstly consider its register of all chargeable properties – adding up the total annual values of all the chargeable properties in the district. The IDB will need to take into account any movement between the categories of land, for example, land that has been developed, sold, given up or acquired and any land that has been revalued (in accordance with [section 43](#) of the Land Drainage Act 1991).

The IDB will then consider the aggregate value of the other land by reviewing its register of all rateable values of relevant properties – adding up the total annual value, taking into account any changes, for example, land that has reverted to chargeable properties.

The value of movements between categories of land is calculated by using the average value per hectare of other land, as set out under [section 37\(5\)\(e\)\(ii\)](#) of the Land Drainage Act 1991.

The values are then used by the IDB to calculate the proportional split of the drainage rates and special levies due from 1 April to 31 March in the following financial year.

The rate in the pound (“multiplier”) which determines how much each drainage ratepayer and local authority will pay is calculated by dividing the budgeted net expenditure that is planned for the following financial year by the total annual value.

The annual value of each chargeable property is then multiplied by the multiplier to calculate the drainage rates due. Each year the drainage rates are made and advertised by an IDB in accordance with [section 48](#) of the Land Drainage Act 1991.

The aggregate value for each local authority is also multiplied by the same multiplier to calculate the special levies due. An IDB issues the special levies to the local authority or authorities in accordance with the 1992 Regulations.

Annual IDB expenses flowchart

| Annual IDB expenses process | Example IDB |
|--|--|
| <u>Forecast</u> : IDB determines its annual expenses for the forthcoming financial year | Example forecast: £110,000 |
| <u>Other income</u> : IDB identifies other income expected and deducts this from their forthcoming annual expenses | Other income: £10,000 Remaining forecast: £100,000 |
| <u>Drainage rates</u> : IDB determines proportion of expenses recovered by drainage rates from farmers | Drainage rates: £40,000 Remaining forecast: £60,000 |
| <u>Special levy</u> : Remaining proportion of expenses recovered by special levy from local authorities | Special levy: £60,000 |

4. Proposed update to valuation calculations

The update to the valuation calculations is intended to be a technical update only. Defra does not wish for the methodology to substantively affect the apportionment of IDB costs between drainage rates and special levies; the changes are intended to leave the apportionment broadly unchanged.

Where IDBs choose to use the new valuation calculations, they would need to update aggregate values for both chargeable properties (i.e. agricultural land and buildings) and other land (non-agricultural land) to maintain the balance of apportioning their costs. To achieve this the IDBs will need to use more up-to-date data for the other land from the Valuation Office Agency and more current data for the chargeable properties to ensure consistency.

Valuation Office Agency data

The Valuation Office Agency provides the government with the valuations and property advice required for the purposes of taxation and business rates.

Non-domestic ratings list

The Valuation Office Agency is responsible for preparing non-domestic ratings lists for every local authority that show the rateable values of all relevant non-domestic (business) properties in each local authority area. Exempt properties are not shown on the rating list – most notably agricultural properties. A property's rateable value is an assessment of the annual rent the property would rent for if it were available to let on the open market at a fixed valuation date.

The list shows all relevant properties in the area, their rateable values, and their descriptions. The properties are listed in alphabetical street order within postal areas and every property has its own reference number. These lists are continually updated by the

Valuation Office Agency as and when new non-domestic properties come into being, existing businesses change or no longer exist. The rateable values are also amended following appeals including retrospectively.

The latest rating list was effective from 1 April 2023 (rateable values based on the valuation date of 1 April 2021). The Valuation Office Agency undertake revaluations to ensure that the rateable values reflect the changes that have taken place in the property market since the last valuation. The next non-domestic ratings list is due to be issued by the Valuation Office Agency as of 1 April 2026. Revaluations are set in statute at every 3 years unless amended.

Council tax

The Valuation Office Agency retain the details of all values and council tax bands for domestic properties in England and Wales. In England, the values are based on the price the properties would have sold for on the open market on 1 April 1991. The council tax bands in England are:

| Band | Value at 1 April 1991 |
|------|-----------------------|
| A | Up to £40,000 |
| B | £40,001 to £52,000 |
| C | £52,001 to £68,000 |
| D | £68,001 to £88,000 |
| E | £88,001 to £120,000 |
| F | £120,001 to £160,000 |
| G | £160,001 to £320,000 |
| H | More than £320,000 |

Testing of Valuation Office Agency data

In order to develop the updated valuation calculations, Defra set up a Working Group to consider how they would work. The Working Group includes a number of IDBs who undertook testing of the valuation calculations with a sample of up-to-date Valuation Office Agency data. This testing was initially undertaken in early 2017 and then again in 2021, using the latest data at the time.

The Valuation Office Agency data provided included:

- the rateable values for non-domestic rating properties (per local authority) from the non-domestic ratings list (as of 1 April 2010 in 2017 testing, and as of 1 April 2017 in 2021 testing); and
- the total number of domestic properties (per local authority area) and their council tax bandings.

Under the current valuation of the other land, in order to determine the special levies, the IDB uses one third of the rateable value of the business property and one third of the rateable value of the domestic property multiplied by a factor of 6.73 as listed in the 1990 ratings lists.

Council tax has since replaced the rateable value of domestic properties, which is based on a property's capital value as opposed to its rateable value. Therefore, it was necessary to develop a way of calculating a 'notional rateable value' of residential properties from its capital value, in each property band, to replicate [section 37\(5\)\(b\) of the Land Drainage Act](#). To do this the IDBs took the top capital value from the council tax band and divided that by 1,000 to get a rateable value.

Using the Valuation Office Agency data, the IDBs tested three options:

| Option | Data used and calculations |
|--------|--|
| A | <ul style="list-style-type: none"> • rateable values from 2010 and 2017 non-domestic ratings lists without applying any adjustment factors as set out in the Land Drainage Act 1991 • top capital value of domestic properties from council tax bands, divided by 1,000 without applying any adjustment factors as set out in the Land Drainage Act 1991 |
| B | <ul style="list-style-type: none"> • rateable values from 2010 and 2017 non-domestic rating lists, reduced by one third as set out in section 37(5)(a) of the Land Drainage Act 1991 • top capital value of domestic properties from council tax bands, divided by 1,000, reduced the value by one third and multiplied by 6.73 (as set out in section 37(5)(b) of the Land Drainage Act 1991) |
| C | <ul style="list-style-type: none"> • rateable values from 2010 and 2017 non-domestic rating lists, reduced by one third as set out in section 37(5)(a) of the Land Drainage Act 1991 • top capital value of domestic properties from council tax bands, divided by 1,000 without applying any adjustment factors as set out in the Land Drainage Act 1991 |

Testing results

The testing results are set out in **Annex B**. At a high level they show that Option A brings about a higher proportional split to the special levies, whereas Option C decreases the special levies. Option B provides the optimum balance, minimising any movement in proportion between drainage rates and special levies, and thereby best replicates the current proportional splits for the IDBs.

Both sets of testing showed similar results and confirmed that Option B provides the closest alignment to the current proportional split for the IDBs.

Whilst this change will not in and of itself create any overall increase in IDB income, some individual farmers and or local authorities may see their charges go up or down. It is possible that there will be a change in proportional split between drainage rates and special levies, for example, where chargeable properties are developed and move across to other land and therefore move from drainage rates to the special levies.

Updated valuation calculations

In setting out the updated valuation calculations, IDBs would need to undertake the following for drainage rates and special levies respectively:

- (a) For chargeable properties: new IDBs will need to carry out an initial valuation, and existing IDBs a revaluation, (probably through a land surveyor) of agricultural land and buildings within their internal drainage districts. An average percentage uplift is then applied to the current annual values of all the Boards agricultural assessments. The IDBs will keep a record of these values and will use [section 43](#) of the Land Drainage Act 1991 to adjust annual values as and when required.
- (b) For other land: the IDBs will use the rateable values from the up-to-date non-domestic rating list, and council tax data supplied by the Valuation Office Agency.
 - i. For non-domestic properties the IDBs will take the rateable values (per local authority) and reduce the total sum of the rateable values by one third.
 - ii. For domestic ratings the IDBs will take the number of properties in each council tax band for each charging authority. To calculate the notional rateable value they will take the capital value at the top of each property band and divide by 1,000. The total number of properties in each council tax band for each charging authority is then multiplied by its notional rateable value to give the new rateable value. The total sum of the rateable values is reduced by one third and multiplied by 6.73.

Band H covers properties that have a value of more than £320,000 on 1 April 1991 and does not have an upper value. For the valuation calculations we have set the value at £321,000, this ensures a whole number when completing the calculation and differentiates it from band G which has an upper value of £320,000.

As explained, the adjustment factors were applied to minimise the impact of charges on local authorities in paying the special levies. The testing has demonstrated that the adjustment factors are still relevant and necessary. However, we are keen to ensure that there are no unintended consequences and or alternative factors that should be considered.

Question

Question 5. To what extent do you agree or disagree with continuing to use the adjustment factors (reducing business values by one third and domestic properties by one third multiplied by 6.73) to keep the balance of the proportional split between drainage rates and special levies?

- Strongly Agree

- Agree
- Neutral
- Disagree
- Strongly Disagree
- Don't know

Explain your answer

IDBs using the new valuation calculations

The new valuation calculations are not intended to replace the existing valuation calculations in the Land Drainage Act 1991, rather they will be an alternative. Only new and expanding IDBs must use the new valuation calculations and the new up-to-date Valuation Office Agency data. Those existing IDBs that are not expanding have a choice, between using the existing valuation calculations they currently use or moving across to the new. Once an IDB has decided to move to the new valuation calculations they cannot revert back.

The government considers it an unnecessary, bureaucratic and costly process to force all IDBs to adopt the new valuation calculations if they are not planning to change their boundary. However, this will be kept under review and, if necessary, the government can require all IDBs to adopt the new calculations.

Any existing IDB that is required to use, or decides to use, the new valuation calculations must do so in accordance with the necessary procedures, including those set out in the SI. This will include:

- (a) electing to use the new valuation calculations, following the IDBs' usual approval process and where the majority decision is made by the members present;
- (b) giving notice to the Secretary of State before 31 October of this decision and from which financial year it will take effect; and
- (c) publishing a statement advertising this decision and its implications to appropriate stakeholders.

In terms of notifying the Secretary of State of their decision and which financial year it will come into effect from, the draft SI states this must be before 31 October, to give everyone enough time before the change comes into effect. As this is specifically set out in the SI we are keen to ensure the date is agreeable to all.

Whilst IDBs are independent public bodies, and it is within their power to decide to use the new valuation calculations, we are also keen that such a decision is widely known to those likely to be affected, so IDBs need to publish their decision.

Questions

Question 6. What do you think of the election procedure (as set out in the draft SI) for those IDBs that move to the new valuation calculations?

- Agree
- Disagree
- Don't know

Explain your answer

Question 7. Is notifying the Secretary of State before 31 October sufficient in determining the use of the valuation calculations?

- Yes
- No
- Don't know

Explain your answer

Question 8. Is the publication of a statement sufficient in alerting local external partners to the change of using the updated valuation calculation?

- Yes
- No
- Don't know

Explain your answer

Data sharing

Key to the new valuation calculations is the up-to-date data from the Valuation Office Agency for each of the IDB drainage districts. Within the Environment Act 2021, changes were made to the Land Drainage Act 1991 and new powers were inserted to allow the Valuation Office Agency to share its information with certain “qualifying persons” for a “qualifying purpose” (to be able to carry out the function of apportioning expenses).

The list of qualifying persons includes:

- (a) an IDB;
- (b) the [Environment] Agency;
- (c) the Natural Resources Wales;
- (d) a person authorised to exercise any function of a body within paragraph (a), (b) or (c) relating to drainage rates or special levies;
- (e) a person providing services to a body within paragraph (a), (b) or (c) relating to drainage rates or special levies;
- (f) the Secretary of State;
- (g) the Welsh Ministers;
- (h) any other person specified in regulations made by the appropriate national authority.

The list of qualifying purposes includes:

- (a) enabling the qualifying person to whom the disclosure is made, or any other qualifying person, to carry out any functions conferred by or under Chapter 1 or 2 of this Part or section 75 of the Local Government Finance Act 1988;
- (b) enabling the qualifying person to whom the disclosure is made, or any other qualifying person, to determine for the purposes of Part 1 how functions mentioned in paragraph (a) might be exercised by—
 - i. an IDB which is proposed to be constituted under that Part, or
 - ii. the IDB for an internal drainage district which is proposed to be constituted under that Part.

To protect the data that is being shared by the Valuation Office Agency there are also appropriate safeguards that make it an offence to misuse the data and there are

restrictions on onward disclosure. Punishments for any offences include imprisonment or a fine or both.

Managing the up-to-date Valuation Office Agency data

The spread of Valuation Office Agency data is continually being updated. The use of more up-to-date data will be beneficial but we are also conscious that it needs to be proportionate especially if there is minimal change from year to year. Therefore, we are keen to get views on the best gap for when new data should be used by relevant IDBs.

The most proportionate way to manage the up-to-date Valuation Office Agency data is to produce a 'dataset' for each IDB drainage district, based on the existing IDBs. These datasets can then be kept up-to-date as new data becomes available and to reflect any proposals to expand an IDB and or create a new one. Once an expansion or new IDB has been approved by Ministers the dataset would be added to the overall published collection, replacing existing datasets where relevant. Individual IDB datasets of specific individual drainage districts can be easily kept up-to-date over a specific timeframe.

Whilst existing IDBs, that are not expanding, have a choice on whether or not to use the new valuation calculations the dataset for their area will be available. This will support them in making a decision to use the dataset in future and because it is more cost effective to compile all the existing IDB datasets from the outset.

The information held by Valuation Office Agency is covered by an obligation of confidentiality and while provision of some of this might be beneficial to IDBs we need to ensure it is necessary and proportionate. We are keen to ensure the data provided to IDBs is the minimum they need to undertake the new valuation calculations.

We therefore intend for the data to be non-identifiable (meaning it is not linked to any specific individuals or properties) and aggregated by theme, whilst still enabling the IDBs to undertake their valuation calculations. This approach will meet requirements of data protection, mitigating the risk of a data breach, provide quality assurance of the data, and will enable the most straightforward and cost-effective data sharing agreement.

New powers in the Land Drainage Act 1991 enables the Valuation Office Agency to share this data with qualifying persons (see page 16 for more details). The legislation provides a specific list of bodies (including directly with IDBs) alongside a broad power for Ministers to specify any other person (e.g. an appointed intermediary) in the draft SI. Alternatively, if non-identifiable aggregated data is sufficient, and it meets data protection requirements, it potentially could be published on the Valuation Office Agency's [GOV.UK website](#).

Questions

Question 9. These are the options we are considering for the frequency of data use. When available, how often should IDBs use up-to-date Valuation Office Agency data?

- Every year
- Three years
- Five years
- Ten years
- Other timeframe
- Don't know

Explain your answer

Question 10. To what extent do you agree or disagree with each IDB drainage district, or proposed drainage district, having its own dataset?

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree
- Don't know

Explain your answer

Question 11. What do you think of the data the IDBs use being non-identifiable and aggregated, enabling for a simpler and safer data sharing agreement?

- Agree
- Disagree
- Don't know

Explain your answer

5. Next Steps

Following this consultation, we will publish a summary of responses, a government response and, subject to the responses, finalise the SI.

The SI will follow the affirmative procedure in the Houses of Parliament. This means it will be laid in Parliament for scrutiny and will be debated in both Houses. It may only be subsequently made following approval by Parliament.

Annex B IDB special levy testing results

The table below shows the results from the IDBs' special levy testing of Valuation Office Agency data in 2017 (using rateable values from 1 April 2010 non-domestic ratings list) and in 2021 (using rateable values from 1 April 2017 non-domestic ratings list). For these tests we approached 17 IDBs. The tests included the adjustment factor options (as set out on page 13 above). In the second test three IDBs did not participate but this has not materially affected the overall outcomes.

| IDB | 2017 testing: Percentage increase or decrease by option | | | 2021 testing: Percentage increase or decrease by option | | |
|-----------------|---|-----------|-----------|---|----------------|----------------|
| | Option A | Option B | Option C | Option A | Option B | Option C |
| 1 | 10 | -10 | -13 | 11 | -10 | -13 |
| 2 | 1 | -1 | -1 | 1 | -1 | -1 |
| 3 | 9 | -1 | -4 | Not applicable | Not applicable | Not applicable |
| 4 | 18 | 11 | 11 | 18 | 12 | 12 |
| 5 | 12 | -4 | -8 | 14 | -3 | -6 |
| 6 | 16 | 0 | 0 | 16 | -1 | -2 |
| 7 | 55 | 31 | 31 | 55 | 31 | 31 |
| 8 | 8 | 0 | -1 | 9 | 0 | -1 |
| 9 | -16 | -41 | -42 | 27 | 2 | 1 |
| 10 | 6 | -6 | -10 | 7 | -8 | -10 |
| 11 | 4 | -3 | -5 | 5 | -15 | -19 |
| 12 | 10 | -1 | -1 | Not applicable | Not applicable | Not applicable |
| 13 | 1 | -2 | -3 | 4 | 1 | 1 |
| 14 | 16 | -1 | -2 | 16 | -1 | -2 |
| 15 | 10 | 6 | 5 | 16 | -1 | -2 |
| 16 | 19 | 10 | 10 | Not applicable | Not applicable | Not applicable |
| 17 | 16 | -3 | -7 | 16 | -3 | -7 |
| Averages | 11 | -1 | -2 | 15 | 0 | -1 |