EXPLANATORY MEMORANDUM TO

THE NON-DOMESTIC RATING (COMMUNICATIONS AND LIGHT RAILWAYS) (ENGLAND) REGULATIONS 2005

2005 No.549

1. This explanatory memorandum has been prepared by The Office of the Deputy Prime Minister and is laid before Parliament by Command of Her Majesty.

2. Description

These Regulations prescribe the hereditaments for certain communications and light railway networks and determine the local rating list on which those network hereditaments will appear.

3. Matters of special interest to the Joint Committee on Statutory Instruments

None.

4. Legislative Background

These Regulations are made under the powers in sections 64(3), 65(4) and 143(1) and (2) of the Local Government Finance Act 1988.

5. Extent

This instrument applies to England only.

6. European Convention on Human Rights

Not applicable.

7. Policy background

7.1 Certain railways and communication networks are assessed for rating by being placed on local rating lists. The normal rules of rating provide that:

(i) property is generally assessed as a single unit if it is contiguous, in the same occupation and in the same use, and

(ii) where a hereditament spans more than one local authority's area then it will appear in the rating list in which there appears to the valuation officer to be the greatest rateable value (regulation 6 of the Non-Domestic Rating (Miscellaneous Provisions) Regulations 1989 No. 1060).

7.2 However, the application of these rules may have the effect of breaking certain large networks up into several smaller assessments and, furthermore, create uncertainty as to the correct rating list in which the relevant hereditaments should be placed. The Regulations overcome these problems by prescribing both the hereditament and local rating list for the network hereditaments concerned.

7.3 In December 2004 ODPM issued for consultation these Regulations in draft together with Regulations for the central rating list. 10 responses in total to the consultation exercise were received but most were concerned with the central list Regulations or were detailed comments from ratepayers in respect of their own property. However, the following general point was made: the UK Competitive Telecommunications Association (UKCTA) argued that the 4 telecom networks on the central list would be protected from Business Improvement District (BID) supplements whereas the networks on local rating lists may be subject to a BID levy.

7.4 ODPM has not provided for any exemptions from BIDs for particular classes of properties or ratepayers. It will be for the BID proposer to justify why particular types of properties such as telecom networks should be included in a BID area and how those ratepayers would benefit from the BID scheme.

7.5 However, ODPM does not anticipate BIDs being framed so as to capture telecom networks because BIDs have to be supported by a majority of ratepayers and the majority of rateable value (RV) from those voting. The inclusion of communications networks would bring a large amount of "no vote" RV into the BID vote. Therefore, ODPM does not believe that the issue described by the UKCTA will arise in practice.

8. Impact

A Regulatory Impact Assessment has not been prepared for these Regulations as they impose no new costs or savings.

9. Contact

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