STATUTORY INSTRUMENTS

2004 No. 1494

RATING AND VALUATION

The Non-Domestic Rating (Miscellaneous Provisions) (Amendment) (England) Regulations 2004

Made - - - -	*7th June 2004*
Laid before Parliament	*14th June 2004*
Coming into force - -	*5th July 2004*

The First Secretary of State, in exercise of the powers conferred by section 143(1) and (2) of, and paragraph 2(8) of Schedule 6 to, the Local Government Finance Act 1988(**a**) hereby makes the following Regulations:

Application, citation and commencement

1. These Regulations, which apply in England only, may be cited as the Non-Domestic Rating (Miscellaneous Provisions) (Amendment) (England) Regulations 2004 and shall come into force on 5th July 2004.

Valuation on the contractor's basis

2.—(1) Regulation 2 of the Non-Domestic Rating (Miscellaneous Provisions) (No. 2) Regulations 1989(**b**) is amended as follows.

(2) In paragraph (1B), omit the words "or after".

(3) After paragraph (1B), insert—

"(1C) Paragraph (2C) of this regulation applies in relation to a hereditament, shown in a non-domestic rating list compiled on or after 1st April 2005, the rateable value of which is being ascertained using the contractor's basis of valuation."

(4) After paragraph (2B), insert—

"(2C) In applying the provisions of the Act referred to in paragraph (2) of this regulation in circumstances where paragraph (1C) of this regulation applies, the appropriate rate shall be assumed to be—

(a) in the case of a defence hereditament, an educational hereditament or a healthcare hereditament, 3.33 per cent.; and

(b) in any other case, 5 per cent..".

(**a**) 1988 c. 41; *see* section 146(6) for the definition of "prescribed". Paragraph 2(8) of Schedule 6 was amended by paragraph 38(8) of Schedule 5 to the Local Government and Housing Act 1989 (c. 42). These powers are devolved, in relation to Wales, to the National Assembly for Wales by the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672), *see* the reference to the Local Government Finance Act 1988 in Schedule 1.

(**b**) S.I. 1989/2303; relevant amendments were made by S.I. 1993/544, 1994/3122 and 2000/532.

[ODPM 2898]

Signed by authority of the Secretary of State

Phil Hope
Parliamentary Under Secretary of State,
Office of the Deputy Prime Minister

7th June 2004

EXPLANATORY NOTE

(This note is not part of the Regulations)

Regulation 2 of the Non-Domestic Rating (Miscellaneous Provisions) (No. 2) Regulations 1989 makes provision in relation to valuation of non-domestic property by reference to the notional cost of constructing or providing a hereditament ("the contractor's basis"), which is applied where there is no more direct evidence of rental value. Regulation 2 specifies the annual percentage rate to be applied in relation to the notional cost of construction. These Regulations amend that regulation, as respects England, in respect of hereditaments shown in a rating list prepared on or after 1st April 2005 by providing for the annual percentage to be 3.33% in the case of certain defence, educational or healthcare hereditaments and 5% in other cases.

A Regulatory Impact Assessment has been prepared and is available on the website of the Office of the Deputy Prime Minister (www.odpm.gov.uk), and copies can be obtained from the Business Rates Team of the Office of the Deputy Prime Minister, Eland House, Bressenden Place, London SW1P 5DG. Copies have also been placed in the libraries of both Houses of Parliament.

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