STATUTORY INSTRUMENTS

2016 No. 777

RATING AND VALUATION, ENGLAND

The Non-Domestic Rating (Miscellaneous Provisions) (No. 2) Regulations 1989 (Amendment) (England) Regulations 2016

Made - - - -	*19th July 2016*
Laid before Parliament	*21st July 2016*
Coming into force - -	*1st September 2016*

The 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**), makes the following Regulations.

Citation and commencement

1.—(1) These Regulations may be cited as the Non-Domestic Rating (Miscellaneous Provisions) (No. 2) Regulations 1989 (Amendment) (England) Regulations 2016.

(2) These Regulations come into force on 1st September 2016.

Application

2. These Regulations apply in relation to England only.

Valuation on the contractor's basis

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

(2) In paragraph (1C)(**c**), for "on or after 1st April 2005" substitute "on 1st April 2005 or 1st April 2010".

(3) After paragraph (1E)(**d**) insert—

"(1F) Paragraph (2F) of this regulation applies in relation to a hereditament shown in a non-domestic rating list compiled for a billing authority in England on or after

(**a**) 1988 c. 41. See section 146(6) for the meaning 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 now vested in the Welsh Ministers so far as they are exercisable in relation to Wales. They were previously transferred to the National Assembly for Wales by article 2 of 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 to that Order. By virtue of paragraphs 30 and 32 of Schedule 11 to the Government of Wales Act 2006 (c. 32), they were transferred to the Welsh Ministers.

(**b**) S.I. 1989/2303. Regulation 2 was amended in relation to England by S.I. 1993/544, 1994/3122, 2000/532 and 2004/1494; it was amended in relation to Wales by S.I. 2015/1759 (W. 243). There are other amending instruments none of which is relevant.

(**c**) Paragraph (1C) was inserted in relation to England by S.I. 2004/1494.

(**d**) Paragraph (1E) was inserted in relation to Wales by S.I. 2015/1759 (W. 243).

1st April 2017 the rateable value of which is being ascertained using the contractor's basis of valuation.".

(4) After paragraph (2E)(**a**) insert—

"(2F) In applying paragraph 2(1) to (7) of Schedule 6 to the Act in circumstances where paragraph (1F) of this regulation applies, the appropriate rate is assumed to be—

(a) in the case of a defence hereditament, an educational hereditament or a healthcare hereditament, 2.6%; and

(b) in any other case, 4.4%.".

Signed by authority of the Secretary of State for Communities and Local Government

Marcus Jones
Parliamentary Under Secretary of State
19th July 2016 Department for Communities and Local Government

EXPLANATORY NOTE

(This note is not part of the Regulations)

Regulation 2 of the Non-Domestic Rating (Miscellaneous Provisions) (No. 2) Regulations 1989 (S.I. 1989/2303) 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 of S.I. 1989/2303 specifies the annual percentage rate to be applied in relation to the notional cost of construction.

These Regulations amend that regulation in relation to England in respect of hereditaments shown in a rating list compiled for a billing authority in England on or after 1st April 2017. They provide for the annual percentage to be 2.6% in the case of certain defence, educational and healthcare hereditaments and 4.4% in other cases.

An impact assessment has not been produced for this instrument because it amends an existing local tax regime. Publication of a full impact assessment is not necessary for such legislation.

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(**a**) Paragraph (2E) was inserted in relation to Wales by S.I. 2015/1759 (W. 243).

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