EXPLANATORY MEMORANDUM TO THE

THE NON-DOMESTIC RATING (RURAL SETTLEMENTS) (ENGLAND) (AMENDMENT) ORDER 2004

2004 No. 3153

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

This Order makes provision to raise the thresholds for rural rate relief.

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

None.

4. Legislative Background

This Order is being made under the powers in sections 43(6B)(b) and 47(3A)(b) 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 The Non-Domestic Rating (Rural Settlements)(England) Order 1997 provides for mandatory rate relief for public houses and petrol stations whose rateable values are under £9,000 and any other hereditaments whose rateable value are under £6,000 and also discretionary rate relief for other businesses who rateable values are under £12,000. All hereditaments must be located within a designated rural area.

7.2 In July 2004, the Government announced the overall trends arising from the revaluation of businesses that is due to take effect from 1st April 2005. Data produced by the Valuation Office Agency indicated an overall increase of 17.9% in rateable values across England. This figure has now been refined to 17.7%.

7.3 This amendment increases: to £10,500 the maximum rateable value of a public house or petrol station that can be eligible for this rate relief; to £7,000 the maximum rateable value of any other hereditament eligible for this rate relief; to £14,000 the maximum rateable value of a business eligible for this discretionary rate relief.

7.4 These increases reflect the overall increase of 17.7% in rateable values across England.

8. Impact

A Regulatory Impact Assessment is not required for this instrument as the reliefs are being uprated in line with the change in rateable values across England.

9. Contact

Peter Reilly at the Office of the Deputy Prime Minister (Tel: 020 7944 4197 or e-mail: Peter.Reilly@odpm.gsi.gov.uk) can answer any queries regarding the instrument.