EXPLANATORY MEMORANDUM TO

THE TOWN AND COUNTRY PLANNING (BLIGHT PROVISIONS) (ENGLAND) ORDER 2005

2005 No.406

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

2.1 The Town and Country Planning (Blight Provisions) (England) Order 2005 increases the annual rateable value limit on the eligibility of owner-occupiers of business premises to serve blight notices. The limit is increased from £24,600 to £29,200 to take account of the rating revaluation in the year 2005. The Town and Country Planning (Blight Provisions) (England) Order 2000 (S.I. 2000) 539 is revoked as a result.

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

3.1 None

4. Legislative Background

4.1 Section 149(3)(a) of the Town and Country Planning Act 1990 ("The Act") enables the Secretary of State to prescribe an annual value limit to the annual value of the hereditament. Section 333(7) of the Act is the enabling power under which an Order made under section 149(3)(a) of the Act can be varied or revoked.

5. Extent

5.1 This instrument applies to England.

6. European Convention on Human Rights

Not applicable.

7. Policy background

7.1 Blight notices are a statutory mechanism available to the owner-occupiers of dwellings and farms and of business premises within a specified rateable value limit who cannot sell their premises except for a significantly reduced amount because they are under a direct threat of compulsory purchase for a formally proposed public development scheme. If such a notice is confirmed, the owner can require the public body behind the scheme to acquire the premises early.

7.2 The current rateable value limit on the eligibility to serve blight notices in respect of business premises was set at £24,600 when the last revaluation took effect in April 2000. The forthcoming rating revaluation will increase the rateable values of properties falling at or below the current £24,600 threshold by an average of 18.65%. The threshold therefore needs to be raised to £29,200 to remain in the same relative position from 1 April 2005.

7.3 The rateable value limit on the eligibility of businesses to serve blight notices was introduced in 1959 as a mechanism for extending the ability to serve blight notices, originally intended as a mechanism only for owner-occupiers of private dwellings, to "working proprietors" of small shops and other businesses. This was on the basis that smaller businesses would need to be able to sell one set of premises before being able to buy another in order to continue business. Larger businesses were not considered to need the same protection. The limit has been up rated with each subsequent rating revaluation.

7.4 The same rateable value limit applies to eligibility for businesses claiming compensation for loss of value under Part I of the Land Compensation Act 1973 when their premises are affected by physical factors such as noise, vibration, fumes and artificial lighting from new public works such as highways and aerodromes. It also applies to eligibility under the 1973 Act for business proprietors aged at least sixty to claim disturbance compensation on the basis of the total extinguishment of their business when they are subject to a compulsory purchase order

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies. The increase in the rateable value limit will be proportionate to the change in rateable values which will take place on 1 April 2005 for the sector of businesses within the current limit, in line with inflation in rental values for that sector.

8.2 There is no impact on the public sector as the increase in the rateable value limit reflects an inflationary increase since the last rate revaluation.

9. Contact

Peter Frost at the Office of the Deputy Prime Minister, telephone: 0207 944 3927 or e-mail: petera.frost@odpm.gsi.gov.uk , can answer any queries regarding the instrument.