

EXPLANATORY NOTE

(This note is not part of the Order)

Where the Secretary of State so provides by order under paragraph 3(1) of Schedule 6 to the Local Government Finance Act 1988, hereditaments of any class are not to be valued for non-domestic rating on the basis set out in paragraph 2 to 2C of that Schedule (that is to say, by reference to the rent a hypothetical tenant would pay for the hereditament on an annual basis), but on the basis of rules set out in the order.

By article 3 of this Order the rateable value of hereditaments in England which consist of dock or harbour undertakings carried on under the authority of any enactment is to be determined on the basis of rules set out in article 4, except in the case of certain small undertakings, essentially those with a relevant income of less than £1,000,000 in 1998, and docks and harbours wholly or mainly used by the person operating them or by associated persons for their own purposes.

Article 4 provides that the rateable value of such hereditaments for a chargeable financial year is to be calculated by reference to 27.5 per cent of the balance between an amount for the income and an amount for the expenditure of the undertaking (where both amounts are calculated in accordance with the Regulations), subject to a threshold.

Article 5 revokes, with savings, the provisions of the Docks and Harbours (Rateable Values) Order 1989, which applied, as amended, in respect of the local non-domestic rating lists for England compiled on 1st April 1990 and 1st April 1995.