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Changes to legislation: Local Government Finance Act 1988, SCHEDULE 6 is up to date with all changes known to be in force on or before 26 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

SCHEDULES

SCHEDULE 6

Section 56.

NON-DOMESTIC RATING: VALUATION

- 1 This Schedule has effect to determine the rateable value of non-domestic hereditaments . . . ^{F1} for the purposes of this Part.

Textual Amendments

- F1** Words repealed by [Local Government and Housing Act 1989 \(c. 42, SIF 81:1\)](#), ss. 139, 194(4), [Sch. 5 para. 38\(2\)](#), [Sch. 12 Pt. II](#) Note 4

- 2 (1) The rateable value of a non-domestic hereditament [^{F2}none of which consists of domestic property and none of which is exempt from local non domestic rating] shall be taken to be an amount equal to the rent at which it is estimated the hereditament might reasonably be expected to let from year to year [^{F3}on these three assumptions—
- (a) the first assumption is that the tenancy begins on the day by reference to which the determination is to be made;
 - (b) the second assumption is that immediately before the tenancy begins the hereditament is in a state of reasonable repair, but excluding from this assumption any repairs which a reasonable landlord would consider uneconomic;
 - (c) the third assumption is that the tenant undertakes to pay all usual tenant's rates and taxes and to bear the cost of the repairs and insurance and the other expenses (if any) necessary to maintain the hereditament in a state to command the rent mentioned above.]
- [^{F4}(1A) The rateable value of a composite hereditament none of which is exempt from local non-domestic rating shall be taken to be an amount equal to the rent which, assuming such a letting of the hereditament as is required to be assumed for the purposes of sub-paragraph (1) above, would reasonably be attributable to the non-domestic use of property.
- (1B) The rateable value of a non-domestic hereditament which is partially exempt from local non-domestic rating shall be taken to be an amount equal to the rent which, assuming such a letting of the hereditament as is required to be assumed for the purposes of sub-paragraph (1) above, would, as regards the part of the hereditament which is not exempt from local non-domestic rating, be reasonably attributable to the non-domestic use of property.]
- (2) Where (apart from this sub-paragraph) the rateable value would include a fraction of a pound—
- (a) the fraction shall be made up to one pound if it would exceed 50p, and
 - (b) the fraction shall be ignored if it would be 50p or less.

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- (3) Where the rateable value is determined for the purposes of compiling a list the day by reference to which the determination is to be made is—
- (a) the day on which the list must be compiled, or
 - (b) such day preceding that day as may be specified by the Secretary of State by order in relation to the list.
- (4) Where the rateable value is determined with a view to making an alteration to a list which has been compiled (whether or not it is still in force) the day by reference to which the determination is to be made is—
- (a) the day on which the list came into force, or
 - (b) if a day was specified under sub-paragraph (3)(b) above in relation to the list, the day so specified.
- (5) Where the rateable value is determined for the purposes of compiling a list by reference to a day specified under sub-paragraph (3)(b) above, the matters mentioned in sub-paragraph (7) below shall be taken to be as they are assumed to be on the day on which the list must be compiled.
- (6) Where the rateable value is determined with a view to making an alteration to a list which has been compiled (whether or not it is still in force) the matters mentioned in sub-paragraph (7) below shall be taken to be as they are assumed to be on the [F5material day.]
- [F6(6A) For the purposes of sub-paragraph (6) above the material day shall be such day as is determined in accordance with rules prescribed by regulations made by the Secretary of State.]
- (7) The matters are—
- (a) matters affecting the physical state or physical enjoyment of the hereditament,
 - (b) the mode or category of occupation of the hereditament,
 - (c) the quantity of minerals or other substances in or extracted from the hereditament,
 - [F7(cc) the quantity of refuse or waste material which is brought onto and permanently deposited on the hereditament,]
 - (d) matters affecting the physical state of the locality in which the hereditament is situated or which, though not affecting the physical state of the locality, are nonetheless physically manifest there, and
 - (e) the use or occupation of other premises situated in the locality of the hereditament.
- (8) The Secretary of State may make regulations providing that, in applying the preceding provisions of this paragraph in relation to a hereditament of a prescribed [F8class], prescribed assumptions (as to the hereditament or otherwise) are to be made.
- [F9(8A) For the purposes of this paragraph the state of repair of a hereditament at any time relevant for the purposes of a list shall be assumed to be the state of repair in which, under sub-paragraph (1) above, it is assumed to be immediately before the assumed tenancy begins.]
- (9) The Secretary of State may make regulations providing that in arriving at an amount under sub-paragraph (1) [F10, (1A) or (1B)] above prescribed principles are to be

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applied; and the regulations may include provision for the preservation of such principles, privileges, and provisions for the making of valuations on exceptional principles, as apply or applied for the purposes of the 1967 Act.

- (10) If a day is specified under sub-paragraph (3)(b) above the same specification must be made in relation to all lists to be compiled on the same day.
- [^{F11}(11) For the purposes of sub-paragraph (8) above a class may be prescribed by reference to such factors as the Secretary of State sees fit.
- (12) Without prejudice to the generality of sub-paragraph (11) above, a class may be prescribed by reference to one or more of the following factors—
- (a) the physical characteristics of hereditaments;
 - (b) the fact that hereditaments are unoccupied or are occupied for prescribed purposes or by persons of prescribed descriptions.
- (13) In this paragraph references to the non-domestic use of property are references to use otherwise than in such a manner as to constitute the property domestic property.]

Textual Amendments

- F2** Words inserted by [Local Government and Housing Act 1989 \(c. 42, SIF 81:1\)](#), s. 139, **Sch. 5 para. 38(3)**
- F3** Words and para. 2(1)(a)(b)(c) substituted for words in Sch. 6 para. 2(1) (26.5.1999 effective retrospectively on 1.6.1990 as mentioned in s. 2(2) of the amending Act) by [1999 c. 6, s. 1\(1\)\(2\)](#)
- F4** [Sch. 6 para. 2\(1A\)\(1B\)](#) inserted by [Local Government and Housing Act 1989 \(c. 42, SIF 81:1\)](#), s. 139, **Sch. 5 para. 38(4)**
- F5** Words substituted by [Local Government and Housing Act 1989 \(c. 42, SIF 81:1\)](#), s. 139, **Sch. 5 para. 38(5)**
- F6** [Sch. 6 para. 2\(6A\)](#) (which was inserted by [1989 c. 42, s. 139, Sch. 5 para. 38\(6\)](#)) substituted (7.3.1992 so far as it enables provision to be made by regulations and 1.4.1992 otherwise) by [1992 c. 14, s. 104, Sch. 10 Pt. 1 para. 4](#) (with s. 118(1)(2)(4)); S.I. 1992/473, **arts. 2, 3**
- F7** [Sch. 6 para. 2\(cc\)](#) inserted by [Local Government and Housing Act 1989 \(c. 42, SIF 81:1\)](#), s. 139, **Sch. 5 para. 38(7)**
- F8** Word substituted by [Local Government and Housing Act 1989 \(c. 42, SIF 81:1\)](#), s. 139, **Sch. 5 para. 38(8)**
- F9** [Sch. 6 para. 2\(8A\)](#) inserted (26.5.1999 effective retrospectively on 1.6.1990 as mentioned in s. 2(2) of the amending Act (but subject to exception in s. 2(3) of the amending Act) by [1999 c. 6, ss. 1\(1\)\(3\), 2](#)
- F10** Words inserted by [Local Government and Housing Act 1989 \(c. 42, SIF 81:1\)](#), s. 139, **Sch. 5 para. 38(9)**
- F11** [Sch. 6 para. 2\(11\)–\(13\)](#) inserted by [Local Government and Housing Act 1989 \(c. 42, SIF 81:1\)](#), s. 139, **Sch. 5 para. 38(10)**

Modifications etc. (not altering text)

- C1** [Sch. 6 para. 2](#) excluded by [S.I. 1989/2472, art. 3\(1\)](#) and by [S.I. 1989/2474, art. 4\(1\)](#) (which [S.I. 1989/2474](#) was revoked (1.4.1995) by [S.I. 1994/3282, art. 4\(1\)](#) (with saving in [art. 4\(2\)](#))
- [Sch. 6 paras. 2–2C](#) excluded (E.) (31.3.2000) by [S.I. 2000/951, art. 4\(1\)](#)
- [Sch. 6 paras. 2–2C](#) excluded (E.) (31.3.2000) by [S.I. 2000/952, art. 5](#)
- [Sch. 6 paras. 2–2C](#) excluded (W.) (1.4.2000) by [S.I. 2000/948, art. 4\(1\)](#)
- [Sch. 6 paras. 2–2B](#) excluded (W.) (1.4.2000) by [S.I. 2000/352, art. 3](#)
- [Sch. 6 paras. 2–2B](#) excluded (W.) (1.4.2000) by [S.I. 2000/299, art. 5](#)
- [Sch. 6 paras. 2–2C](#) excluded (E.) (31.3.2000) by [S.I. 2000/946, art. 3](#)
- [Sch. 6 paras. 2–2C](#) excluded (E.) (31.3.2000) by [S.I. 2000/949, art. 4](#)
- [Sch. 6 paras. 2–2C](#) excluded (E.) (31.3.2000) by [S.I. 2000/950, art. 4](#)
- [Sch. 6 paras. 2–2C](#) excluded (E.) (31.3.2000) by [S.I. 2000/947, art. 6](#)

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- Sch. 6 paras. 2-2B excluded (W.) (1.4.2000) by S.I. 2000/1163, **arts. 6, 8**
- C2** Sch. 6 para. 2 excluded (21.12.1994) by S.I. 1994/3282, **arts. 6, 8**
 Sch. 6 para. 2 excluded (21.12.1994) by S.I. 1994/3283, **art. 5**
 Sch. 6 para. 2 excluded (21.12.1994) by S.I. 1994/3284, **art. 5**
 Sch. 6 para. 2 excluded (21.12.1994) by S.I. 1994/3285, **art. 5**
- C3** Sch. 6 para. 2(1) amended by S.I. 1989/2303, **art. 3**
- C4** Sch. 6 para. 2(1) modified by S.I. 1989/2303, **art. 4(2)(3)**
- C5** Sch. 6 para. 2(1)–(7) modified by S.I. 1989/2303, **art. 4(1)**; S.I. 1989/441, **art. 2**.
 Sch. 6 para. 2(1)–(7) modified (20. 3. 1991) by S.I. 1991/278, **art. 2**
 Sch. 6 para. 2(1)–(7) amended (E.) (1.4.2000) by S.I. 2000/540, **art. 2**
 Sch. 6 paras. 2(1)–(7) amended (W.) (1.4.2000) by S.I. 2000/1097, **art. 2**
- C6** Sch. 6 para. 2(1A)(1B) amended by S.I. 1989/2303, **art. 3**
- C7** Sch. 6 para. 2(1A)(1B) modified by S.I. 1989/2303, **art. 4(2)(3)**
- C8** Sch. 6 para. 2(6) modified (3. 4. 1991) by S.I. 1991/471, **art. 6(2)(3)(b)(i)**
- C9** Sch. 6 para. 2(7) modified by S.I. 1990/582, **reg. 5(2)**

- [^{F12}2A (1) This paragraph applies to any hereditament the whole or any part of which consists in buildings which are—
- (a) used for the breeding and rearing of horses or ponies or for either of those purposes; and
 - (b) are occupied together with any agricultural land or agricultural building.
- (2) The rateable value of any hereditament to which this paragraph applies shall be taken to be the amount determined under paragraph 2 above less whichever is the smaller of the following amounts—
- (a) such amount as the Secretary of State may by order specify for the purposes of this paragraph; and
 - (b) the amount which but for this paragraph would be determined under paragraph 2 above in respect of so much of the hereditaments as consists of buildings so used and occupied.
- (3) In this paragraph—
- “agricultural land” means any land of more than two hectares which is agricultural land within the meaning of paragraph 2 of Schedule 5 above and is not land used exclusively for the pasturing of horses or ponies; and
 - “agricultural building” shall be construed in accordance with paragraphs 3 to 7 of that Schedule.]

Textual Amendments

- F12** Sch. 6 paras. 2A and 2B inserted by Local Government and Housing Act 1989 (c. 42, SIF 81:1), s. 139, **Sch. 5 para. 38(11)**

Modifications etc. (not altering text)

- C10** Sch. 6 paras. 2A and 2B excluded by S.I. 1989/2472, **art. 3(1)** and by S.I. 1989/2474, **art. 4(1)** (which S.I. 1989/2474 was revoked (1.4.1995) by S.I. 1994/3282, **art. 4(1)** (with saving in **art. 4(2)**)
 Sch. 6 paras. 2-2C excluded (E.) (30.3.2000) by S.I. 2000/951, **art. 4(1)**
 Sch. 6 paras. 2-2C excluded (E.) (31.3.2000) by S.I. 2000/952, **art. 5**
 Sch. 6 paras. 2-2C excluded (W.) (1.4.2000) by S.I. 2000/948, **art. 4(1)**
 Sch. 6 paras. 2-2B excluded (E.) (1.4.2000) by S.I. 2000/352, **art. 3**
 Sch. 6 paras. 2-2B excluded (W.) (1.4.2000) by S.I. 2000/299, **art. 5**
 Sch. 6 paras. 2-2C excluded (E.) (31.3.2000) by S.I. 2000/946, **art. 3**

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- Sch. 6 paras. 2-2C excluded (E.) (31.3.2000) by S.I. 2000/949, **art. 4**
- Sch. 6 paras. 2-2C excluded (E.) (31.3.2000) by S.I. 2000/950, **art. 4**
- Sch. 6 paras. 2-2C excluded (E.) (31.3.2000) by S.I. 2000/947, **art. 6**
- Sch. 6 paras. 2-2B excluded (W.) (1.4.2000) by S.I. 2000/1163, **arts. 6, 8**
- C11** Sch. 6 para. 2A excluded (21.12.1994) by S.I. 1994/3282, **arts. 6, 8**
- Sch. 6 para. 2A excluded (21.12.1994) by S.I. 1994/3283, **art. 5**
- Sch. 6 para. 2A excluded (21.12.1994) by S.I. 1994/3284, **art. 5**
- Sch. 6 para. 2A excluded (21.12.1994) by S.I. 1994/3285, **art. 5**

- 2B (1) This paragraph applies where—
- (a) the rateable value of a hereditament consisting of an area of a caravan site is determined with a view to making an alteration to a list which has been compiled (whether or not it is still in force),
 - (b) the area is treated as one hereditament by virtue of regulations under section 64(3)(b),
 - (c) immediately before the day the alteration is entered in the list or (if the alteration is made in pursuance of a proposal) the day the proposal is made, the list includes a hereditament consisting of an area of the caravan site treated as one hereditament by virtue of such regulations, and
 - (d) the area mentioned in paragraph (b) above and the area mentioned in paragraph (c) above are wholly or partly the same.
- (2) In relation to a caravan pitch which is included both in the area mentioned in sub-paragraph (1)(b) above and in the area mentioned in sub-paragraph (1)(c) above, sub-paragraph (3) below rather than paragraph 2(6) above shall apply as respects the matters mentioned in sub-paragraph (4) below.
- (3) The matters mentioned in sub-paragraph (4) below shall be taken to be as they were assumed to be for the purposes of determining the rateable value of the hereditament mentioned in sub-paragraph (1)(c) above when that rateable value was last determined.
- (4) The matters are—
- (a) the nature of the caravan on the pitch, and
 - (b) the physical state of that caravan.
- (5) For the purposes of this paragraph—
- “caravan” has the same meaning as it has for the purposes of Part I of the Caravan Sites and Control of Development Act 1960, and
- “caravan site” means any land in respect of which a site licence is required under Part I of that Act, or would be so required if paragraph 4 and paragraph 11 of Schedule 1 to the Act (exemption of certain land occupied and supervised by organisations concerned with recreational activities and of land occupied by local authorities) were omitted.

Modifications etc. (not altering text)

- C12** Sch. 6 paras. 2A and 2B excluded by S.I. 1989/2472, **art. 3(1)** and by S.I. 1989/2474, **art. 4(1)** (which S.I. 1989/2474 was revoked (1.4.1995) by S.I. 1994/3282, **art. 4(1)** (with saving in **art. 4(2)**)
- Sch. 6 paras. 2-2C excluded (E.) (30.3.2000) by S.I. 2000/951, **art. 4(1)**
- Sch. 6 paras. 2-2C excluded (E.) (31.3.2000) by S.I. 2000/952, **art. 5**
- Sch. 6 paras. 2-2C excluded (W.) (1.4.2000) by S.I. 2000/948, **art. 4(1)**

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- Sch. 6 paras. 2-2B excluded (W.) (1.4.2000) by S.I. 2000/352, **art. 3**
- Sch. 6 paras. 2-2B excluded (W.) (1.4.2000) by S.I. 2000/299, **art. 5**
- Sch. 6 paras. 2-2C excluded (E.) (31.3.2000) by S.I. 2000/946, **art. 3**
- Sch. 6 paras. 2-2C excluded (E.) (31.3.2000) by S.I. 2000/949, **art. 4**
- Sch. 6 paras. 2-2C excluded (E.) (31.3.2000) by S.I. 2000/950, **art. 4**
- Sch. 6 paras. 2-2C excluded (E.) (31.3.2000) by S.I. 2000/947, **art. 6**
- Sch. 6 paras. 2-2B excluded (W.) (1.4.2000) by S.I. 2000/1163, **arts. 6, 8**
- C13** Sch. 6 para. 2B excluded (21.12.1994) by S.I. 1994/3282, **arts. 6, 8**
- Sch. 6 para. 2B excluded (21.12.1994) by S.I. 1994/3283, **art. 5**
- Sch. 6 para. 2B excluded (21.12.1994) by S.I. 1994/3284, **art. 5**
- Sch. 6 para. 2B excluded (21.12.1994) by S.I. 1994/3285, **art. 5**
- C14** Sch. 6 para. 2B(1)(c) modified (3. 4. 1991) by S.I. 1991/471, **art. 6(3)(b)(ii)**

[^{F13}2C (1) This paragraph applies where—

- (a) a hereditament consists wholly or in part of land on which a right of sporting is exercisable; and
- (b) the right is not severed from the occupation of the land.

(2) For the purposes of determining the rateable value of the hereditament under paragraph 2 above, the rent at which the hereditament might reasonably be expected to let shall be estimated as if the right of sporting did not exist.

(3) In this paragraph “right of sporting” means a right of fowling, shooting, taking or killing game or rabbits, or fishing.]

Textual Amendments

F13 Sch. 6 para. 2C inserted (1.4.1997) by 1997 c. 29, s. 2(5); S.I. 1997/1097, **art. 2(a)**

Modifications etc. (not altering text)

C15 Sch. 6 paras. 2-2C excluded (E.) (30.3.2000) by S.I. 2000/951, **art. 4(1)**
 Sch. 6 paras. 2-2C excluded (E.) (31.3.2000) by S.I. 2000/952, **art. 5**
 Sch. 6 paras. 2-2C excluded (W.) (1.4.2000) by S.I. 2000/948, **art. 4(1)**
 Sch. 6 paras. 2-2C excluded (E.) (31.3.2000) by S.I. 2000/946, **art. 3**
 Sch. 6 paras. 2-2C excluded (E.) (31.3.2000) by S.I. 2000/949, **art. 4**
 Sch. 6 paras. 2-2C excluded (E.) (31.3.2000) by S.I. 2000/950, **art. 4**
 Sch. 6 paras. 2-2C excluded (E.) (31.3.2000) by S.I. 2000/947, **art. 6**

3 (1) The Secretary of State may by order provide that in the case of a non-domestic hereditament of such [^{F14}class] as may be prescribed—

- (a) [^{F15}paragraphs 2 to [^{F16}2C]] above shall not apply, and
- (b) its rateable value shall be such as is determined in accordance with prescribed rules.

(2) The Secretary of State may by order provide that in the case of non-domestic hereditaments to be shown in a central non-domestic rating list by virtue of regulations under section 53(2) above—

- (a) [^{F17}paragraphs 2 to [^{F16}2C]] above shall not apply, and
- (b) their rateable value shall be such as is specified in the order or determined in accordance with prescribed rules.

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- [^{F18}(3) For the purposes of sub-paragraph (1) above a class may be prescribed by reference to such factors as the Secretary of State sees fit.
- (4) Without prejudice to the generality of sub-paragraph (3) above, a class may be prescribed by reference to one or more of the following factors—
- (a) the physical characteristics of hereditaments;
 - (b) the fact that hereditaments are unoccupied or are occupied for prescribed purposes or by persons of prescribed descriptions.]

Textual Amendments

- F14** Word substituted by [Local Government and Housing Act 1989 \(c. 42, SIF 81:1\)](#), s. 139, **Sch. 5 para. 38(12)(a)**
- F15** Words substituted by [Local Government and Housing Act 1989 \(c. 42, SIF 81:1\)](#), s. 139, **Sch. 5 para. 38(12)(b)**
- F16** Words in [Sch. 6 para. 3\(1\)\(a\)\(2\)\(a\)](#) substituted (1.4.1997) by [1997 c. 29, s. 2\(6\)](#); S.I. 1997/1097, **art. 2(a)**
- F17** Words substituted by [Local Government and Housing Act 1989 \(c. 42, SIF 81:1\)](#), s. 139, **Sch. 5 para. 38(13)**
- F18** [Sch. 6 para. 3\(3\)\(4\)](#) inserted by [Local Government and Housing Act 1989 \(c. 42, SIF 81:1\)](#), s. 139, **Sch. 5 para. 38(14)**

4

F19

Textual Amendments

- F19** [Sch. 6 para. 4](#) repealed by [Local Government and Housing Act 1989 \(c. 42, SIF 81:1\)](#), ss. 139, 194(4), [Sch. 5 para. 38\(15\)](#), **Sch. 12 Pt. II** Note 4

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