

EXPLANATORY MEMORANDUM TO
THE RATING LISTS (VALUATION DATE) (ENGLAND) ORDER 2008

2008 No. 216

1. This explanatory memorandum has been prepared by the Department for Communities and Local Government and is laid before Parliament by Command of Her Majesty.

2. Description

- 2.1 This Order sets as 1st April 2008 the day by reference to which all non-domestic properties in England must be valued for the purposes of compiling new local and central rating lists on 1st April 2010.

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

- 3.1 None.

4. Legislative Background

- 4.1 Sections 41 and 52 of the Local Government Finance Act 1988 (“the 1988 Act”) requires valuation officers to compile rating lists every five years, starting on 1st April 1990. Accordingly, new lists must be compiled on 1st April 2010.
- 4.2 Rating lists show all non-domestic properties in England in respect of which non-domestic rates are payable and their rateable value. Most properties appear on local rating lists, maintained for the area they are situated in (section 41), although some large properties which are national in character appear on a central rating list held by the Secretary of State (section 52).
- 4.3 For the purposes of compiling new rating lists, the rateable value of all non-domestic properties is reassessed. Schedule 6 to the 1988 Act gives the Secretary of State the power to specify a day by reference to which that reassessment is to be made. In exercise of that power, this Order specifies 1st April 2008 as the day by reference to which properties will be valued for the purposes of the lists to be compiled on 1st April 2010. In the absence of an Order being made, the reference day is the day on which new lists are compiled.

5. Extent

- 5.1 This instrument applies to England only.

6. European Convention on Human Rights

- 6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

- 7.1 The reassessment of the rateable value of non-domestic properties is based on the market rental value of a property at a specified date – also known as the antecedent valuation date or AVD. The AVD is normally set exactly two years prior to the date on which new non-domestic rating lists must be compiled and, on this basis, the AVD for the purposes of the lists to be compiled on 1st April 2010 has been set as 1st April 2008.
- 7.2 The purpose and timing of the AVD is to (a) ensure that all properties are valued on the same basis so that the distribution of the tax burden is fair between different properties; and (b) allow valuation officers the opportunity to collect all available rental and other information so that they can accurately assess rateable values for the purposes of compiling lists. Without establishing an AVD, valuation officers would be required to make forward estimates as to the state of the rental market on 1st April 2010.

8. Impact

- 8.1 An Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

9. Contact

- 9.1 Nick Cooper at the Department for Communities and Local Government, telephone 020 7944 8751 or e-mail: nick.cooper@communities.gsi.gov.uk, can answer any queries regarding the instrument.