

*These notes refer to the Council Tax (New Valuation Lists for England)
Act 2006 (c.7) which received Royal Assent on 30 March 2006*

COUNCIL TAX (NEW VALUATION LISTS FOR ENGLAND) ACT 2006

EXPLANATORY NOTES

BACKGROUND

4. The 1992 Act introduced the council tax from 1 April 1993 with valuations of domestic properties based on values at 1 April 1991. The Act did not require council tax valuations to be updated and new council tax valuation lists to be prepared. The 2001 White Paper "Strong Local Leadership - Quality Public Services"¹ subsequently recognised the importance of keeping property values up to date. It committed the Government to a first revaluation in England to be completed in time for council tax bills issued in 2007, with subsequent revaluations at least every 10 years thereafter.
5. The Local Government Act 2003 accordingly amended the 1992 Act to give statutory force to that commitment. Section 77 of that Act inserted a new section 22B into the 1992 Act, requiring the listing officer of each billing authority to compile new valuation lists for domestic properties in England on 1 April 2007, and subsequently on the 10th anniversary of the previous revaluation (or, if earlier, on a date specified by order by the Secretary of State). Section 22B also requires a draft list to be compiled on (or before) the 1 September before the date on which the list is to be compiled.
6. In July 2004 the Government invited Sir Michael Lyons to consider options for reform of the council tax as part of his independent inquiry into local government funding, and to report and make recommendations by the end of 2005. In September 2005, the Government then extended the scope and length of the Lyons Inquiry so that it could consider issues relating to the wider functions of local government and its future role as well as, and prior to, making recommendations on local government funding. The Lyons Inquiry is now expected to produce its final report at the end of 2006. In the light of this, the Government decided to postpone council tax revaluation in England² and to legislate to provide a power for the Secretary of State to make orders setting a new date for revaluation, and dates for any subsequent revaluations, so that the first revaluation in England can take full account of the further work of the Lyons Inquiry and be integrated with any other possible funding reforms, and account can be taken of relevant circumstances in determining appropriate dates for subsequent revaluations.

¹ CM 5237

² The announcement to postpone revaluation was made on 20 September 2005.