
STATUTORY INSTRUMENTS

2008 No. 2332

RATING AND VALUATION, ENGLAND

**The Valuation for Rating (Plant and Machinery)
(England) (Amendment) Regulations 2008**

<i>Made</i>	- - - -	<i>28th August 2008</i>
<i>Laid before Parliament</i>		<i>4th September 2008</i>
<i>Coming into force</i>	- -	<i>1st October 2008</i>

The Secretary of State, in exercise of the powers conferred by section 143(2) of, and paragraph 2(8) of Schedule 6 to, the Local Government Finance Act 1988(1), makes the following Regulations:

Citation, application and commencement

1. These Regulations, which apply to England only, may be cited as the Valuation for Rating (Plant and Machinery) (England) (Amendment) Regulations 2008 and shall come into force on 1st October 2008.

Amendment of the Valuation for Rating (Plant and Machinery) (England) Regulations 2000

2. The Valuation for Rating (Plant and Machinery) (England) Regulations 2000(2) shall be amended by the insertion, after regulation 2 (prescribed assumptions as to plant and machinery), of—

“Prescribed assumptions as to plant and machinery: valuation for 1st October 2008 and subsequent days

2A.—(1) For the purpose of determining the rateable value of a hereditament for any day on or after 1st October 2008, in applying the provisions of sub-paragraphs (1) to (7) of paragraph 2 of Schedule 6 to the Local Government Finance Act 1988—

(a) in relation to a hereditament in or on which there is plant or machinery which belongs to any of the classes set out in the Schedule to these Regulations, the prescribed assumptions are that—

(1) 1988 c. 41. Paragraph 2(8) of Schedule 6 was amended by paragraph 38(8) of Schedule 5 to the Local Government and Housing Act 1989 (c. 42). The term “prescribed” is defined for the purposes of Schedule 6 in section 146(6). These powers are now vested in the Welsh Ministers so far as they are exercisable in relation to Wales. They were previously transferred to the National Assembly for Wales by article 2 of the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672): see the reference to the Local Government Finance Act 1988 in Schedule 1. By virtue of paragraphs 30 and 32 of Schedule 11 to the Government of Wales Act 2006 (c. 32), they were transferred to the Welsh Ministers.

(2) S.I. 2000/540, to which there are amendments not relevant to these Regulations.

- (i) any such plant or machinery is part of the hereditament except to the extent that it has microgeneration capacity, and
 - (ii) the value of any other plant and machinery has no effect on the rent to be estimated as required by paragraph 2(1); and
 - (b) in relation to any other hereditament, the prescribed assumption is that the value of any plant or machinery has no effect on the rent to be so estimated.
- (2) The exception in paragraph (1)(a)(i) applies only—
- (a) in relation to any item of plant or machinery that—
 - (i) is installed on or after 1st October 2008, and
 - (ii) on the day of installation has microgeneration capacity; and
 - (b) in the period—
 - (i) starting on the day that the item of plant or machinery is installed, and
 - (ii) ending on the earlier of—
 - (aa) the first day after the day that the item of plant or machinery is installed on which rating lists fall to be compiled for the purposes of sections 41(2) and 52(2) of the Local Government Finance Act 1988, and
 - (bb) the day the item of plant or machinery ceases to have microgeneration capacity.
- (3) In this regulation “microgeneration capacity” means the capacity of plant or machinery to be used for the generation of electricity or the production of heat—
- (a) which, in generating electricity or (as the case may be) producing heat, relies wholly or mainly on a source of energy or a technology mentioned in section 26(2) (interpretation) of the Climate Change and Sustainable Energy Act 2006(3); and
 - (b) the capacity of which to generate electricity or (as the case may be) to produce heat does not exceed the capacity mentioned in section 26(3) of that Act.”.

Signed by authority of the Secretary of State for Communities and Local Government

Iain Wright
Parliamentary Under Secretary of State
Department for Communities and Local
Government

28th August 2008

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Valuation for Rating (Plant and Machinery) (England) Regulations 2000 (“the 2000 Regulations”) by inserting a new regulation 2A.

Regulation 2 of the 2000 Regulations provides that the classes of plant and machinery listed in the Schedule are to be treated as being part of a non-domestic hereditament and therefore relevant to its value for the purposes of rates. Any other plant and machinery present at the hereditament is not relevant to its value.

New regulation 2A will apply to valuations for days on or after 1st October 2008 and has broadly the same effect. However, it also provides that where plant and machinery which is otherwise relevant to a hereditament’s value has microgeneration capacity, that capacity is not relevant to the value. The definition of “microgeneration capacity” for these purposes is based on the definition in section 26 of the Climate Change and Sustainable Energy Act 2006.

The new provision applies to any plant and machinery installed on or after 1st October 2008 and has effect between the date of installation and the first five-yearly revaluation of non-domestic hereditaments thereafter. The practical effect is that ratepayers who install plant and machinery with microgeneration capacity will not see any increase in their rates bills as a consequence until the next five-yearly revaluation.

A full impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.