

Draft Order laid before Parliament under section 143(8) of the Local Government Finance Act 1988, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2000 No.

RATING AND VALUATION, ENGLAND

The Water Undertakers (Rateable Values) (England) Order 2000

| | | |
|---|---------|-----------------------|
| <i>Made</i> | - - - - | <i>2000</i> |
| <i>Coming into force</i> | | |
| <i>for all purposes other than those of article 8</i> | | <i>2000</i> |
| <i>for the purposes of article 8</i> | | <i>1st April 2000</i> |

The Secretary of State for the Environment, Transport and the Regions, in exercise of the powers conferred upon him by section 143(1) and (2) of, and paragraph 3(2) of Schedule 6 to, the Local Government Finance Act 1988(1), and of all other powers enabling him in that behalf, hereby makes the following Order, a draft of which has been laid before and approved by resolution of each House of Parliament:

Citation, commencement and extent

1. This Order, which extends to England only, may be cited as the Water Undertakers (Rateable Values) (England) Order 2000 and shall come into force—

- (a) for all purposes other than those of article 8, on the day after the day on which it is made; and
- (b) for the purposes of article 8, on 1st April 2000.

Interpretation and application

2.—(1) In this Order—

“the Act” means the Local Government Finance Act 1988;

(1) 1988 c. 41. Section 143(2) is amended by paragraph 72(2) of Schedule 5 to the Local Government and Housing Act 1989 (c. 42). Paragraph 3 of Schedule 6 is amended by paragraph 38(12) and (13) of Schedule 5 to the 1989 Act and by section 2 of the Local Government and Rating Act 1997 (c. 29). See section 146(6) of the 1988 Act for the definition of “prescribed”. These powers are devolved, in relation to Wales, to the National Assembly for Wales by 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.

“central list” means the central non-domestic rating list for England⁽²⁾;

“Central Lists Regulations” means the Central Rating Lists (England) Regulations 2000;

“class of hereditaments” means the hereditaments falling to be shown in the central list in relation to a designated person by virtue of regulation 4 of and Part 6 of the Schedule to the Central Lists Regulations⁽³⁾;

“designated person” means a person designated by regulation 3(1) of and named in Part 6 of the Schedule to the Central Lists Regulations; and in relation to a class of hereditaments “relevant designated person” means the designated person in occupation of that class;

“recalculation factor” in relation to a class of hereditaments means the factor determined in relation to that class in accordance with article 6;

“relevant year” means any year for which a rateable value falls to be determined in accordance with this Order, and “relevant preceding year” means the year preceding a relevant year;

“the standard formula” in relation to a class of hereditaments means the formula $T+U$ where—

- (a) T is the amount specified in relation to that class in the Schedule; and
- (b) U is the recalculation factor applicable to that class in respect of the relevant year; and

“year” means a chargeable financial year.

(2) Any reference in this Order to hereditaments occupied by a person includes a reference, in the case of unoccupied hereditaments, to hereditaments owned by that person, references to occupation being construed accordingly.

(3) Any reference in this Order to a designated person by name is to the company bearing that name on 1st January 2000.

(4) This Order applies for the purpose of the central list compiled on 1st April 2000.

Rounding of numbers

3. Where (apart from this article) any rateable value determined under this Order would include a fraction of a pound—

- (a) if the fraction would exceed 50p it shall be made up to one pound;
- (b) if the fraction would be 50p or less it shall be ignored.

Rateable values

4. In relation to each class of hereditaments, paragraphs 2 to 2C⁽⁴⁾ of Schedule 6 to the Act shall not apply in any year for which the central list is in force, and its rateable value—

- (a) in the year beginning on 1st April 2000 shall be the amount specified in relation to it in the Schedule; and
- (b) subject to article 7, in any year beginning on or after 1st April 2001 shall be the amount produced in respect of that year by applying the standard formula in relation to that class.

Recalculation factor: interpretation

5.—(1) In article 6, in relation to each class of hereditaments—

- (a) in any formula—

(2) The central list is compiled under section 52 of the Local Government Finance Act 1988 and the Central Rating Lists (England) Regulations 2000; S.I. 2000/

(3) Regulation 4 is made under section 53(2) of the Local Government Finance Act 1988.

(4) Paragraph 2 is amended and paragraphs 2A and 2B inserted by paragraph 38(3) to (11) of Schedule 5 to the Local Government and Housing Act 1989. Paragraph 2C is inserted by section 2 of the Local Government and Rating Act 1997 (c. 29).

y is the relevant amount of water in relation to the period of 3 years ending immediately before the relevant preceding year;

Y, subject to article 6(3), is the relevant amount of water in relation to the period of 3 years ending on 31st March 1999;

Z is a number having the same value as y in the last foregoing year in relation to which the applicable recalculation factor for that class was determined in accordance with article 6(2); and

T has the same meaning as in the definition of “the standard formula” in article 2; and

- (b) “relevant amount of water” in relation to a relevant designated person and any period of 3 years means the annual average, over 3 years, expressed in megalitres to the nearest tenth part, calculated in accordance with the formula set out in paragraphs (2) and (3).

- (2) The formula referred to in paragraph (1)(b) is A-B where—

A is the estimated annual average amount of water put into supply by that person in the period of 3 years, being water supplied—

- (a) to any other person in bulk, that is to say for the purposes of augmenting or constituting the supply to be given by that person; or
(b) otherwise,

less half the estimated annual average amount of non-potable water so supplied otherwise than in bulk; and

B is half the annual average amount of water estimated to have been taken or supplied in bulk during that period of 3 years.

(3) Where the relevant designated person did not supply water throughout any year in a period of 3 years, paragraphs (1) and (2) shall apply as if for the reference to the annual average over 3 years there were substituted a reference to the annual average over the number of years throughout which water was supplied; and for the purposes of this paragraph any temporary suspension of supply shall be disregarded.

Recalculation factors

6.—(1) Where in relation to a class of hereditaments and any year the value attributable to y is less than 1.02Y (“the upper threshold”) and greater than 0.98Y (“the lower threshold”), the recalculation factor applicable to that class—

- (a) in the case of the year beginning on 1st April 2001, shall be 0, and
(b) in the case of any subsequent such year, shall be a figure equal to the recalculation factor applicable in accordance with this article in the relevant preceding year.

(2) Where in relation to any year the value attributable to y in respect of a class of hereditaments is equal to or exceeds the upper threshold or is equal to or lower than the lower threshold, the recalculation factor applicable to that class in that year shall be the figure produced by calculating in accordance with the formula—

$TyY1.5Y$

(3) In relation to any class of hereditaments and any year beginning after the year in which paragraph (2) first applies to that class, paragraph (1) shall apply as if for Y there were substituted Z.

Schemes under Schedule 2 of the Water Industry Act 1991

7.—(1) This article applies where, in consequence of a scheme under Schedule 2 to the Water Industry Act 1991⁽⁵⁾ (“the scheme”) a designated person (“the transferee”) occupies a class of hereditaments which immediately before the day on which the scheme comes into force are occupied by another designated person.

(2) Where the article applies, the rateable value (as a whole) of the hereditaments mentioned in paragraph (3) (“relevant hereditaments”) as regards any day on which, in pursuance of the Central Lists Regulations, they are shown in the central list, shall be determined in accordance with paragraph (4) and (5).

(3) The relevant hereditaments are—

- (a) such of the hereditaments transferred by the scheme; and
- (b) any other hereditaments,

as are occupied by the transferee and shown in the central list.

(4) The rateable value (as a whole) of the relevant hereditaments shall be an amount equal to the aggregate of the amounts which, but for the scheme, and subject to paragraph (5), would have been determined under article 5 as the rateable value of the classes of hereditaments which constitute the relevant hereditaments.

(5) For the purposes of determining the recalculation factor applicable in a relevant year, article 6 shall apply as if in calculating—

- (a) the amount assigned to Y, or
- (b) where article 6(3) applies, the number assigned to Z,

water supplied by or to the transferee to or by another party to the scheme were ignored.

Revocation and savings

8.—(1) Subject to paragraph (2), there are hereby revoked—

- (a) the Water Undertakers (Rateable Values) Order 1994⁽⁶⁾;
- (b) article 3 of the Electricity Supply Industry and Water Undertakers (Rateable Values) Amendment Order 1996, and article 1 to the extent that it has effect for the purposes of article 3 of that Order⁽⁷⁾.

(2) Without prejudice to section 16(1) of the Interpretation Act 1978⁽⁸⁾, the provisions of the Orders mentioned in paragraph (1) shall continue to have effect on and after 1st April 2000 for the purposes of, and for purposes connected with—

- (a) any alteration of a list compiled before 1st April 2000; or
- (b) any provision made by regulations under section 58⁽⁹⁾ (special provision for 1995 onwards) of the Act as to the chargeable amount as regards a hereditament for a relevant period as defined in that section.

(5) 1991 c. 56.

(6) S.I. 1994/3285, which continues in effect the Water Undertakers (Rateable Values) Order 1989 (S.I. 1989/2479) in relation to non-domestic rating lists in force before 1st April 1995.

(7) S.I. 1996/912.

(8) 1978 c. 30.

(9) Section 58 is amended by paragraph 68 of Schedule 13 to the Local Government Finance Act 1992 (c. 14), section 2 of the Non-Domestic Rating Act 1994 (c. 3) and section 1 of the Local Government and Rating Act 1997 (c. 29). Regulations under section 58 are S.I. 1994/3279, 1995/961, 1678 and 3322, 1996/911 and 3214, 1997/960 and 301, 1999/3379 and 2000/

Signed by authority of the Secretary of State for the Environment, Transport and the Regions

2000

Minister of State,
Department of the Environment, Transport and
the Regions

SCHEDULE

Regulations 2 and 4

CLASSES OF WATER HEREDITAMENTS AND 2000/01 RATEABLE VALUES

| <i>Classes of water hereditaments (specified according to the occupier)</i> | <i>Specified amount in £ millions</i> |
|---|---------------------------------------|
| <i>Hereditaments occupied by—</i> | |
| Anglian Water Services Limited | 35.544 |
| Bournemouth and West Hampshire Water plc | 3.384 |
| Bristol Water plc | 7.294 |
| Cambridge Water plc | 1.960 |
| Cholderton and District Water Company Limited | 0.010 |
| Dee Valley Water plc | 0.739 |
| Dwr Cymru Cyfyngedig | 1.304 |
| Essex and Suffolk Water plc | 17.224 |
| Folkestone and Dover Water Services Limited | 1.526 |
| Mid Kent Water plc | 5.513 |
| North Surrey Water Limited | 5.161 |
| North West Water Limited | 47.755 |
| Northumbrian Water Limited | 20.004 |
| Portsmouth Water plc | 4.578 |
| Severn Trent Water Limited | 69.513 |
| South East Water plc | 14.769 |
| South Staffordshire Water PLC | 5.835 |
| South West Water Limited | 15.944 |
| Southern Water Services Limited | 15.436 |
| Sutton and East Surrey Water plc | 4.245 |
| Tendring Hundred Water Services Limited | 1.802 |
| Thames Water Utilities Limited | 57.980 |
| Three Valleys Water PLC | 19.349 |
| Wessex Water Services Limited | 13.714 |
| Yorkshire Water Services Limited | 38.176 |
| The York Waterworks plc | 1.406 |

EXPLANATORY NOTE

(This note is not part of the Order)

Under paragraph 3(2) of Schedule 6 to the Local Government Finance Act 1988, the Secretary of State may by order provide in the case of non-domestic hereditaments to be shown in central rating lists that the normal rules of valuation for rating contained in paragraphs 2 to 2C of that Schedule are not to apply to such hereditaments (that is to say, by reference to the rent a hypothetical tenant would pay for the hereditament on an annual basis) and instead their rateable values shall be such as are specified in the order or determined in accordance with prescribed rules.

Water supply hereditaments in England occupied (or, if unoccupied, owned) by water undertakers named in part 6 of the Schedule to the Central Rating Lists (England) Regulations 2000 are required by those Regulations to be shown in the central rating list for England. This Order disapplies paragraphs 2 to 2C in respect of such hereditaments, prescribes values for those hereditaments for the financial year 2000/2001 and prescribes rules according to which their rateable values are to be determined for the period for which the central rating list compiled on 1st April 2000 has effect.

Article 8(1) revokes, with effect for England only and from 1st April 2000, the Water Undertakers (Rateable Values) Order 1994 and article 3 of the Electricity Supply Industry and Water Undertakers (Rateable Values) Amendment Order 1996. These provisions, and the savings provisions they contain in respect of rating lists in force before 1st April 1995, continue to have effect for the purposes mentioned in article 8(2).