

**EXPLANATORY MEMORANDUM TO
THE NON-DOMESTIC RATING (UNOCCUPIEDPROPERTY) (ENGLAND)
(AMENDMENT) REGULATIONS 2004**

2004 No.3146

1. This explanatory memorandum has been prepared by the Office of the Deputy Prime Minister and is laid before Parliament by Command of Her Majesty.

2. Description

This Order makes provision to raise the current thresholds for non-domestic rate relief on unoccupied property.

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

None.

4. Legislative Background

This Order is being made under the powers in sections 45(1)(d) and (9) of the Local Government Finance Act 1988.

5. Extent

This instrument applies to England only.

6. European Convention on Human Rights

Not applicable.

7. Policy background

7.1 Existing legislation provides that business rates are not payable for the first three months that a property is empty. After that time business rates are paid at an empty property rate of 50% of the normal rates bill. However, ratepayers do not have to pay empty property rates even after the first three months have passed for industrial buildings, listed buildings and small properties with rateable values less than £1,900.

7.2 In July 2004, the Government announced the overall trends arising from the revaluation of businesses that is due to take effect from 1st April 2005. Data produced by the Valuation Office Agency indicated an overall increase of 17.9% in rateable values across England. This figure has now been refined to 17.7%.

7.3 This amendment increases to £2,200 the maximum rateable value of a hereditament that can be eligible for this relief, and reflects the overall increase of 17.7% in rateable values across England.

8. Impact

A Regulatory Impact Assessment is not required for this instrument as the relief is being updated in line with the change in rateable values across England.

9. Contact

Peter Reilly at the Office of the Deputy Prime Minister (Tel: 020 7944 4197 or e-mail: Peter.Reilly@odpm.gsi.gov.uk) can answer any queries regarding the instrument.