

**EXPLANATORY MEMORANDUM TO**  
**THE RATING LISTS (VALUATION DATE) (ENGLAND) ORDER 2014**

**2014 No. 2841**

**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. Purpose of the instrument**

2.1 This Order establishes 1st April 2015 as the day by reference to which all non-domestic properties in England must be valued for the purposes of compiling new local and central non-domestic rating lists on 1st April 2017.

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

3.1 None

**4. Legislative Context**

4.1 Sections 41 and 52 of the Local Government Finance Act 1988 (“the 1988 Act”) require valuation officers to compile non-domestic rating lists. Previously, new lists had to be compiled every five years starting on 1st April 1990. However, section 29 of the Growth and Infrastructure Act 2013 amended sections 41 and 52 of the 1988 Act so that new rating lists of non-domestic property in England must be compiled in 2017 and every five years subsequently instead of on 1st April 2015 as would have otherwise been the case. Accordingly new lists must be compiled on 1st April 2017.

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 2015 as the day by reference to which properties will be valued for the purposes of the lists to be compiled on 1st April 2017. In the absence of an Order being made, the reference day would be the day on which new lists are compiled.

## **5. Territorial Extent and Application**

5.1 This instrument applies to England.

## **6. European Convention on Human Rights**

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

## **7. Policy background**

7.1 Revaluations are not intended to change the overall amount of money collected in non-domestic rates. Instead revaluations ensure rate bills are adjusted to reflect relative movements in rental values since the last revaluation. This ensures ratepayers pay their fair share. The Government are considering, as part of the review of non-domestic rates administration, how frequently revaluations should take place.

7.2 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. The Antecedent Valuation Date 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 Antecedent Valuation Date for the purposes of the lists to be compiled on 1st April 2017 has been set as 1st April 2015.

7.3 The purpose and timing of the Antecedent Valuation Date 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 Antecedent Valuation Date, valuation officers would be required to make forward estimates as to the state of the rental market on 1st April 2017.

## **8. Consultation outcome**

8.1 No consultation has been undertaken as the Antecedent Valuation Date is normally set 2 years prior to the date on which the new list must be compiled. The Government are considering, as part of their review of non-domestic rates administration, whether changes should be made to the Antecedent Valuation Date for revaluations after 2017.

## **9. Guidance**

9.1 No guidance has been issued.

## **10. Impact**

10.1 An impact assessment has not been produced for this instrument because it amends an existing local tax regime. Publication of a full impact assessment is not necessary for such legislation.

## **11. Regulating small business**

11.1 The legislation applies to small business. The Valuation Office Agency will seek to minimise the administrative burden upon small businesses when implementing the 2017 Revaluation whilst also ensuring that rateable values are based upon accurate and up to date information.

## **12. Monitoring & review**

12.1 The Government will continue to keep the non-domestic rates system under review.

## **13. Contact**

Nick Cooper at the Department for Communities and Local Government: Telephone number 07795 367238 or email: [nick.cooper@communities.gsi.gov.uk](mailto:nick.cooper@communities.gsi.gov.uk) can answer any queries regarding the instrument.