

2010 No. 146 (W. 21)

**RATING AND VALUATION,
WALES**

**The Valuation for Rating (Plant and
Machinery) (Wales) (Amendment)
Regulations 2010**

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Valuation for Rating (Plant and Machinery) (Wales) 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 1 April 2010 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 1 April 2010 and has effect between the date of installation and the date of the first five-yearly compilation of rating lists 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 regulatory impact assessment has not been produced for this instrument as no impact on the business or voluntary sectors is foreseen.

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Made 26 January 2010

Laid before the National Assembly for Wales

28 January 2010

Coming into force

1 April 2010

The Welsh Ministers, in exercise of the powers conferred on the Secretary of State by section 143(2) of, and paragraph 2(8) of Schedule 6 to, the Local Government Finance Act 1988(1) and now vested(2) in them, make the following Regulations:

Title, application and commencement

1. The title of these Regulations is the Valuation for Rating (Plant and Machinery) (Wales) (Amendment) Regulations 2010. They apply in relation to Wales and come into force on 1 April 2010.

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

2. The Valuation for Rating (Plant and Machinery) (Wales) Regulations 2000(3) are amended by the

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- (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”, in the context of an order or regulations, is defined in section 146(6).
- (2) The powers conferred by section 143 of, and Schedule 6 to, the 1988 Act, so far as exercisable in relation to Wales, were transferred to the National Assembly for Wales by the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672). Functions of the National Assembly for Wales transferred to the Welsh Ministers under section 162 of, and paragraph 30 of Schedule 11 to, the Government of Wales Act 2006 (c.32).
- (3) S.I. 2000/1097 (W.75), to which there are amendments not relevant to these Regulations.

insertion, after regulation 2 (prescribed assumptions as to plant and machinery), of—

“Prescribed assumptions as to plant and machinery: valuation for 1st April 2010 and subsequent days

2A—(1) For the purpose of determining the rateable value of a hereditament for any day on or after 1st April 2010, 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—
 - (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 April 2010, 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; 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.”.

Carl Sargeant

Minister for Social Justice and Local Government,
one of the Welsh Ministers

26 January 2010