

1989 No. 2471

RATING AND VALUATION

The British Gas plc (Rateable Values) Order 1989

Approved by both Houses of Parliament

Made - - - - 22nd December 1989

Coming into force 23rd December 1989

The Secretary of State for the Environment as respects England and the Secretary of State for Wales as respects Wales, in exercise of the powers conferred on them by sections 140(4), 143(1) and 146(6) of and paragraph 3(2) of Schedule 6 to the Local Government Finance Act 1988(a), and of all other powers enabling them in that behalf, hereby make the following Order in the terms of a draft laid before, and approved by resolution of, each House of Parliament:

PART I

PRELIMINARY

Citation and commencement

1. This Order may be cited as the British Gas plc (Rateable Values) Order 1989 and shall come into force on the day after the day on which it is made.

Interpretation

2. In this Order—

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

“British Gas” means the company registered at the date of this Order by the name of British Gas plc;

“gas hereditaments” means non-domestic hereditaments occupied (or, if unoccupied, owned) by British Gas and required by virtue of Part 3 of the Schedule to the Central Rating Lists Regulations 1989(b) to be shown in a central non-domestic rating list; and “English gas hereditaments” means such hereditaments so required to be shown in the central rating list for England, and “Welsh gas hereditaments” means such hereditaments so required to be shown in the central rating list for Wales;

“relevant pipe-line” means any pipe-line occupied (or, if unoccupied, owned) by British Gas and having a design operating pressure exceeding 7 bars;

“relevant year” means a 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” means the formula $T+U$, where—

(a) 1988 c.41. Paragraph 3(2) of Schedule 6 is amended by paragraph 38(13) of Schedule 5 to the Local Government and Housing Act 1989 (c.42).

(b) S.I. 1989/2263.

T in relation to English gas hereditaments is £504,300,000 and in relation to Welsh gas hereditaments is £31,700,000, and

U is the recalculation factor determined under Part IV in respect of each class of hereditaments respectively for the relevant year;

“year” means a chargeable financial year.

Rounding of numbers

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

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

Disapplication of normal basis of valuation

4. In the case of gas hereditaments, paragraphs 2 to 2B of Schedule 6 to the Act (a) shall not apply, and the rateable values of such hereditaments shall be as specified in, or determined under the rules in, the following provisions of this Order.

PART II

ENGLISH GAS HEREDITAMENTS

Rateable values

5.—(1) In the year beginning on 1st April 1990 the rateable value of English gas hereditaments shall be £504,300,000.

(2) In each subsequent year the rateable value of English gas hereditaments shall be the amount produced by a calculation in respect of that year in accordance with the standard formula.

PART III

WELSH GAS HEREDITAMENTS

Interpretation

6. In this Part—

(a) in any formula—

B is the figure applicable in relation to the relevant year for the purposes of paragraph 5(3) of Schedule 7 to the Act;

C is the figure applicable in relation to the relevant year for the purposes of paragraph 5(4) of Schedule 7 to the Act;

I is the figure for the retail prices index for September in the relevant preceding year;

R is the recalculation factor applicable to Welsh gas hereditaments determined under Part IV in respect of the relevant preceding year;

RV is the rateable value of those hereditaments in the relevant preceding year; and

U is the recalculation factor applicable to those hereditaments determined in accordance with Part IV in respect of the relevant year; and

(a) Paragraph 2 is amended by, and paragraphs 2A and 2B inserted by, paragraph 38(3) to (11) of Schedule 5 to the Local Government and Housing Act 1989.

- (b) "intermediate year" means any year beginning on or after 1st April 1991 and ending no later than the end of the year in which the rateable value of Welsh gas hereditaments first falls by virtue of article 8 or 9 to be determined in accordance with the standard formula.

Rateable value in 1990/1

7. In the year beginning on 1st April 1990 the rateable value of Welsh gas hereditaments is the amount determined in accordance with the formula—

$$\frac{\pounds 9,701,277}{M}$$

where M is the non-domestic rating multiplier applicable to those hereditaments in pursuance of paragraph 2 of Schedule 7 to the Act.

Rateable value in 1991/2

8.—(1) In respect of the year beginning on 1st April 1991, where a calculation in respect of Welsh gas hereditaments in accordance with formula 1, that is to say—

$$\underline{RV \times 1.2 \left(1 + \frac{I - B}{C} \right) + U}$$

produces an amount less than that produced by a calculation in respect of that year in accordance with the standard formula, the rateable value of those hereditaments in that year shall be determined by a calculation in accordance with formula 1.

(2) Where the calculation under paragraph (1) in accordance with formula 1 produces an amount equal to or greater than that produced by the calculation under that paragraph in accordance with the standard formula, the rateable value of those hereditaments in the year in respect of which that calculation was made shall be determined in accordance with the standard formula.

Rateable value in 1992/3 and subsequent intermediate years

9. Where—

- (a) in respect of the year beginning on 1st April 1991 the rateable value of Welsh gas hereditaments has been determined in accordance with article 8(1), and
(b) in respect of a subsequent intermediate year a calculation in respect of those hereditaments according to formula 2, that is to say—

$$\underline{(RV - R) \times 1.2 \left(1 + \frac{I - B}{U} \right) + U}$$

produces an amount less than that produced by a calculation in accordance with the standard formula,

the rateable value of those hereditaments in that year shall be the amount calculated in accordance with formula 2; and in any other case it shall be the amount calculated in accordance with the standard formula.

Rateable values in post-intermediate years

10. In respect of any year beginning after an intermediate year, the rateable value of Welsh gas hereditaments shall be the amount produced by a calculation in respect of that year in accordance with the standard formula.

PART IV

ANNUAL RECALCULATION OF RATEABLE VALUES

Recalculation factor

11. The recalculation factor in relation to English gas hereditaments or Welsh gas hereditaments in respect of any relevant year is the amount produced by calculating in accordance with the formula—

$$T \left(\frac{y - Y}{Y} \right)$$

where—

T has the value attributed for that class of hereditaments by article 2;

Y is the estimated length of relevant pipe-line in the country in question on 31st March 1990; and

y is the estimated length of relevant pipe-line in the country in question on 31st March in the relevant preceding year.

21st December 1989

Chris Patten
Secretary of State for the Environment

22nd December 1989

Peter Walker
Secretary of State for Wales

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 the central rating lists for England and Wales that the normal rules of valuation for rating contained in paragraphs 2 to 2B of that Schedule shall not apply, and instead their rateable value shall be such as is specified, or determined in accordance with rules set out, in the order.

Gas hereditaments occupied (or, if unoccupied, owned) by British Gas plc are required to be shown in the central rating lists by virtue of the Central Rating Lists Regulations 1989 (S.I. 1989/2263). This Order provides (article 4) that paragraphs 2 to 2B are not to apply to such hereditaments, and that their rateable value is to be as specified in or determined under the rules set out in the Order.

For the year beginning on 1st April 1990 £504,300,000 is specified as the rateable value of gas hereditaments situated in England; in subsequent years this amount is to be recalculated according to a standard formula, in accordance with Part IV, which takes account of changes in the length of gas pipe-lines.

Part III provides for the rateable value of gas hereditaments situated in Wales. In the year 1990/1 this to be the amount produced by dividing £9,701, 277 by the non-domestic rating multiplier applicable for that year for Wales under Schedule 7 to the Act. In subsequent years, the rateable value in each preceding year is increased by steps of 20 per cent. and adjusted by reference to Part IV, until the amount produced by this formula exceeds the amount produced in respect of that year by so adjusting £31,700,000.

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