
STATUTORY INSTRUMENTS

1993 No. 873 (S.109)

RATING AND VALUATION

**The Oil Related and Petrochemical Plants
(Rateable Values) (Scotland) Order 1993**

Made - - - - *19th March 1993*
Coming into force - - *20th March 1993*

The Secretary of State, in exercise of the powers conferred on him by sections 6, 35 and 37(1) of the Local Government (Scotland) Act 1975(1) and of all other powers enabling him in that behalf, and after consultation with such associations of local authorities, and of persons carrying on undertakings, as appeared to him to be concerned, and with such local authorities, persons, or associations of persons with whom consultation appeared to him to be desirable, all in accordance with section 6(4) of the said Act, hereby makes the following Order, a draft of which has been laid before and has been approved by resolution of each House of Parliament:

Citation, commencement and date of effect

1.—(1) This Order may be cited as the Oil Related and Petrochemical Plants (Rateable Values) (Scotland) Order 1993 and shall come into force on the day after the day on which it is made.

(2) This Order shall have effect as from 1st April 1992(2).

Interpretation

2. In this Order, unless the context otherwise requires—

“the 1928 Act” means the Rating and Valuation (Apportionment) Act 1928(3);

“the 1956 Act” means the Valuation and Rating (Scotland) Act 1956(4);

“the 1975 Act” means the Local Government (Scotland) Act 1975;

(1) 1975 c. 30; section 6(1) to (7) was substituted by the Local Government (Scotland) Act 1978 (c. 4), section 1, and section 6(1) subsequently substituted by the Local Government Finance Act 1988 (c. 41), Schedule 12, paragraph 11 and amended by the Local Government Finance Act 1992 (c. 14), Schedule 13, paragraph 42; section 6(1A) was inserted by the Local Government and Housing Act 1989 (c. 42), Schedule 6, paragraph 18; section 37(1) contains a definition of “prescribed” which is relevant to the exercise of the statutory powers under which this Order is made.

(2) In terms of subsection (6) of section 6 of the 1975 Act, an order under that section may provide that the order shall have effect as from the beginning of the financial year in which it is made.

(3) 1928 c. 44.

(4) 1956 c. 60.

“apportioned net annual value” means that part of the net annual value of industrial lands and heritages which has been apportioned by the assessor under section 9(6) of the 1928 Act according to the occupation and use of those lands and heritages for industrial purposes;

“crude”, “oil field”, “pipeline”, “refinery” and “refining” have the meanings respectively assigned to them in section 12 of the Oil Taxation Act 1975⁽⁵⁾;

“financial year” means the period of twelve months beginning with 1st April;

“industrial lands and heritages” has the same meaning as in section 3(1) as read with section 9(2) of the 1928 Act;

“industrial purposes” shall be construed in accordance with the 1928 Act;

“initial storage of oil” does not include—

- (a) the storing of oil as part of or in conjunction with the operation of an oil refinery; or
- (b) conveying oil in a pipeline;

“initial treatment of oil” means—

- (a) subjecting oil to any process of which the sole purpose is to enable the oil to be safely stored, safely loaded into a tanker or safely accepted by an oil refinery;
- (b) separating oil consisting of gas from other oil;
- (c) separating oil consisting of gas of a kind that is transported and sold in normal commercial practice from other oil consisting of gas;
- (d) liquifying oil consisting of gas of such a kind as aforesaid for the purpose of transporting it; or
- (e) subjecting oil to any process of which the purpose is to secure that oil disposed of crude has the quality that is normal for oil so disposed of from the oil field in question;

but does not include any activity carried on as part of, or in association with, the refining of oil not consisting of gas;

“net annual value” has the same meaning as in section 6(8) of the 1956 Act⁽⁶⁾;

“oil” means—

- (a) any substance won from an oil field under the authority of a licence granted under the Petroleum (Production) Act 1934⁽⁷⁾, or
- (b) gas won from an area which is not under the jurisdiction of the Government of the United Kingdom;

“prescribed class of lands and heritages” means the class of lands and heritages prescribed for the purposes of section 6(1) of the 1975 Act in article 3 of this Order.

Prescribed class of lands and heritages

3.—(1) The following class of lands and heritages is hereby prescribed for the purposes of section 6(1) of the 1975 Act, namely any lands and heritages in Scotland which—

- (a) are used partly for any one or more of the purposes specified in paragraph (2) below, but are not used wholly or mainly for any one or more of those purposes; and
- (b) were first used for any of those purposes on or after 8th May 1975.

(2) The purposes specified in this paragraph are—

- (a) the initial storage of oil;

⁽⁵⁾ 1975 c. 22.

⁽⁶⁾ Section 6(8) was amended by the Abolition of Domestic Rates Etc. (Scotland) Act 1987 (c. 47), Schedule 6.

⁽⁷⁾ 1934 c. 36.

- (b) the initial treatment of oil;
- (c) subjecting oil consisting of gas to any activity the sole or main purpose of which is to achieve physical separation or a chemical reaction in respect of that oil;
- (d) enabling the product of such a physical separation or chemical reaction as is referred to in sub-paragraph (c) above to be stored or loaded into gas tankers; and
- (e) enabling the product of the initial storage or initial treatment of oil to be stored or loaded into oil or gas tankers.

Rateable value

4. For the purposes of section 6(1) of the 1975 Act and in respect of the financial years 1992-93, 1993-94 and 1994-95, the rateable value of any lands and heritages which fall within the prescribed class of lands and heritages shall be ascertained in accordance with the formula—

$$\left(A \times \frac{55}{100}\right) + \left(B \times \frac{C}{100}\right) + D$$

where—

A is that part of the net annual value of the lands and heritages attributable to those parts of the lands and heritages used for any of the purposes specified in article 3(2) above;

B is—

- (i) where the lands and heritages are occupied and used entirely for industrial purposes or are to be treated in terms of section 4(2)(b) of the 1928 Act as if they were so occupied and used, the total net annual value of the lands and heritages less A;
- (ii) where there is an apportioned net annual value in respect of the lands and heritages which is greater than A, the difference between that apportioned net annual value and A; and
- (iii) in any other case, nil.

C is—

- (i) in respect of the financial year beginning on 1st April 1992, 75;
- (ii) in respect of the financial year beginning on 1st April 1993, 82.5; and
- (iii) in respect of the financial year beginning on 1st April 1994, the figure calculated in accordance with the formula—

$100 - E$;

D is equal to the total net annual value of the lands and heritages, less (A + B); and

E is the figure specified in an order made by the Secretary of State under section 6 of the 1975 Act as the percentage of the net annual value of industrial lands and heritages so far as occupied and used, or treated as occupied and used, for industrial purposes to be deducted from that value in order to ascertain their rateable value for the financial year beginning on 1st April 1994.

Amendment of enactments

5. The following amendments shall be made to the enactments specified in articles 6 to 8 below in their relation to the valuation of, and the levying of rates in respect of, the prescribed class of lands and heritages for the financial years 1992-93, 1993-94 and 1994-95.

6. In section 6(1) of the 1956 Act⁽⁸⁾, after the words “this Act”, there shall be inserted the words “and to any Order made by the Secretary of State under section 6 of the Local Government (Scotland) Act 1975”.

7.—(1) Section 2(1)(c) of the 1975 Act shall be amended by inserting at the end the following:—

“(iii) upon their ceasing to be lands and heritages within the class of lands and heritages prescribed in the Oil Related and Petrochemical Plants (Rateable Values) (Scotland) Order 1993 (hereinafter in this Act referred to as “the 1993 Order”);”.

(2) After paragraph (g) of section 2(1) of that Act, there shall be inserted the following paragraphs:—

“(gg) by deleting therefrom, with effect from 1st April 1992, any lands and heritages within the class of lands and heritages prescribed in the 1993 Order which were entered in the roll before the date of coming into force of that Order; and

(ggg) by entering therein any lands and heritages within the class of lands and heritages prescribed in the 1993 Order together with the rateable value thereof as ascertained in accordance with article 4 of that Order:”.

(3) In section 2(2)(a) of that Act, after the words “subsection (1)(a)”, there shall be inserted the words “or (ggg)”.

8. In article 2 of the Industrial and Freight Transport (Rateable Values) (Scotland) Order 1992⁽⁹⁾, the definition of “industrial lands and heritages” shall be amended by inserting after “1992” in paragraph (c) the words—

“or the class prescribed in article 3 of the Oil Related and Petrochemical Plants (Rateable Values) (Scotland) Order 1993”.

St Andrew’s House,
Edinburgh
19th March 1993

Allan Stewart
Parliamentary Under Secretary of State, Scottish
Office

⁽⁸⁾ Section 6(1) was amended by the Abolition of Domestic Rates Etc. (Scotland) Act 1987, Schedule 6 and the Local Government and Housing Act 1989, Schedule 6, paragraph 3.

⁽⁹⁾ S.I.1992/864, as amended by S.I. 1992/1796.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order makes provision for the valuation of certain oil related and petrochemical plants (“the prescribed class”) for financial years 1992-93, 1993-94 and 1994-95.

It provides that the rateable value of any lands and heritages which fall within the prescribed class shall be an amount ascertained in accordance with the formula at article 4 which involves certain prescribed deductions from their net annual value.

The Order also amends certain enactments relating to the valuation of, and the levying of rates in respect of, the prescribed class of lands and heritages (articles 5 to 8).

In pursuance of the power in section 6(6) of the Local Government (Scotland) Act 1975, as amended, the Order has effect from 1st April 1992.