

1985 No. 198 (S.17)

## RATING AND VALUATION

**The British Gas Corporation (Rateable Values)  
(Scotland) Order 1985***Laid before Parliament in draft**Made* - - - - - 13th February 1985*Coming into Operation* 14th February 1985

In exercise of the powers conferred on me by sections 6 and 35 of the Local Government (Scotland) Act 1975(a) and of all other powers enabling me in that behalf, and after consultation with such associations of local authorities, and of persons carrying on undertakings, as appeared to me to be concerned and with such local authority, persons or association of persons with whom consultation appeared to me to be desirable, I hereby make the following order, a draft of which has been laid before and has been approved by resolution of each House of Parliament:—

*Citation and commencement*

1. This Order may be cited as the British Gas Corporation (Rateable Values) (Scotland) Order 1985 and shall come into operation on the day after the day on which it is made.

*Interpretation*

2.—(1) In this order, unless the context otherwise requires—

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

“the Assessor” means the Assessor of Public Undertakings (Scotland);

“compressor station” means an installation in the national gas transmission system for increasing the pressure of gas during transmission;

“the Corporation” means the British Gas Corporation;

“high pressure” means pressure exceeding 7 bars;

“high pressure pipeline” has the same meaning as in section 15(9) of the Oil and Gas (Enterprise) Act 1982(b);

“local authority” means a regional, islands or district council;

(a) 1975 c. 30; section 6 was substituted by the Local Government (Scotland) Act 1978 (c. 4), section 1.

(b) 1982 c. 23.

“national gas transmission system” means the high pressure system occupied and used by the Corporation to transmit natural gas in bulk from any reception terminal to the regions of the Corporation, including any such terminal together with any trunk main, compressor station or storage system;

“private supplier” has the same meaning as in paragraph 3A(2) of Schedule 1 to the Act of 1975(a);

“rating area” means the area of an islands or district council;

“reception terminal” means an installation in the national gas transmission system for the reception of natural gas purchased by the Corporation;

“relevant year” means the year in respect of which the rateable value of lands and heritages occupied by the Corporation is prescribed by or, as the case may be, determined in accordance with this order;

“storage system” means an installation in the national gas transmission system for the liquefaction and storage of natural gas;

“trunk main” means a high pressure pipeline in the national gas transmission system;

“the Valuation Acts” means the Lands Valuation (Scotland) Act 1854(b), the Acts amending that Act and any other Act relating to valuation;

and other words and expressions have the same meaning as in the Valuation Acts.

(2) Any reference in this order to a numbered article shall be construed as a reference to the article bearing that number in this order.

*Aggregate amount of rateable values*

3.—(1) The aggregate amount of the rateable values of the lands and heritages occupied by the Corporation in Scotland and to which paragraph 3 of Schedule 1 of the Act of 1975(c) applies shall be the sum of the transmission component and the distribution component prescribed by or, as the case may be, determined in accordance with paragraph (2) below.

(2) (a) For the year 1985–86, the transmission component shall be £9,500,000 and the distribution component shall be £9,900,000;

(b) For the year 1986–87 and for subsequent years the transmission component shall be the transmission component for the year immediately preceding the relevant year adjusted according to the following formula, namely:—

$$£X \times \left( 1 + \frac{(a - b)}{4b} \right)$$

(a) Paragraph 3A was added by the Oil and Gas (Enterprise) Act 1982, Schedule 3, paragraph 23.

(b) 1854 c. 91.

(c) Paragraphs 1 to 4 of Schedule 1 were substituted by the Local Government (Scotland) Act 1978, section 2.

£X being the transmission component for the year immediately preceding the relevant year;

a being the net throughput in the year 2 years prior to the relevant year;

b being the net throughput in the year 3 years prior to the relevant year; and

(c) For the year 1986-87 and for subsequent years the distribution component shall be the distribution component for the year immediately preceding the relevant year adjusted according to the following formula, namely:—

$$£Y \times \left(1 + \frac{(c-d)}{2d}\right)$$

£Y being the distribution component for the year immediately preceding the relevant year;

c being the number of therms supplied in the year 2 years prior to the relevant year;

d being the number of therms supplied in the year 3 years prior to the relevant year;

(3) For the purposes of this article net throughput shall be taken to be the sum as certified by the Corporation of the number of therms entering the national gas transmission system in Scotland and the number of therms of synthetic natural gas produced in Scotland and distributed in local distribution mains, less the number of therms used by transmission plant and the number of therms lost or otherwise unaccounted for; and the number of therms supplied in any year shall be taken to be the total number of therms, as certified by the Corporation, supplied by the Corporation to consumers in Scotland including the number of therms distributed on behalf of any private supplier.

#### *Apportionment of rateable value*

4.—(1) The aggregate amount of the rateable values prescribed by or, as the case may be, determined in accordance with article 3 shall be apportioned among rating areas in accordance with the following formula, namely:—

$$T \times \left( \frac{n + \left( V \times \frac{m}{M} \right)}{N + V} \right) + \left( D \times \frac{s}{S} \right)$$

T being the transmission component for the relevant year;

n being the value of transmission assets, excluding trunk mains, in a rating area as at 31st March in the year 2 years prior to the relevant year;

N being the aggregate value of transmission assets in Scotland, excluding trunk mains, as at 31st March in the year 2 years prior to the relevant year;

V being the aggregate value of trunk mains in Scotland as at 31st March in the year 2 years prior to the relevant year;

m being the length in kilometres of trunk mains in a rating area as at 31st March in the year 2 years prior to the relevant year;

M being the total length in kilometres of trunk mains in Scotland as at 31st March in the year 2 years prior to the relevant year;

*D* being the distribution component for the relevant year;

*s* being the number of therms supplied in a rating area in the year 2 years prior to the relevant year;

*S* being the total number of therms supplied in Scotland in the year 2 years prior to the relevant year.

(2) For the purposes of this article—

- (a) the values or aggregate values of fixed assets shall be taken to be the capital cost, as estimated and certified by the Corporation, of replacing the assets in commission by like assets;
- (b) the length in kilometres of trunk mains in a rating area and in Scotland shall be taken to be the length of such mains in commission, as estimated and certified by the Corporation;
- (c) the number of therms supplied in a rating area in any year shall be taken to be the total number of therms, as certified by the Corporation, supplied by the Corporation to consumers in the area including the number of therms distributed on behalf of any private supplier; and the number of therms supplied in Scotland in any year shall be taken to be the number certified for the purposes of article 3.

*Supplementary provisions*

5. The Assessor shall—

- (a) apportion, in accordance with article 4, the aggregate amount of the rateable values prescribed by article 3 for the year 1985–86 and determine and apportion, in accordance with articles 3 and 4, the aggregate amount of the rateable values for any other relevant year;
- (b) transmit to each local authority, within 14 days of the coming into operation of this order, a copy of so much of any proposed direction to a local assessor to enter lands and heritages in the valuation roll as relates to the valuation for the year 1985–86 of lands and heritages in its area to which this order relates;
- (c) transmit to the Corporation, within 14 days of the coming into operation of this order, a copy of so much of any proposed direction to a local assessor to enter lands and heritages in the valuation roll as relates to the valuation for the year 1985–86 of lands and heritages of the Corporation in Scotland to which this order relates.

6.—(1) A local authority may within 28 days of the coming into operation of this order make representations to the Assessor about the rateable value apportioned to its area for the year 1985–86.

(2) The Corporation may within 28 days of the coming into operation of this order make representations to the Assessor about the rateable value for the year 1985–86 apportioned to any rating area in which lands and heritages of the Corporation are situated.

*Amendment of enactments*

7.—(1) (a) The exercise of the duties laid on the Assessor by article 5(a) shall be deemed to be a valuation of lands and heritages under subsection (1) of section 5 of the Act of 1975;

- (b) subsection (4) of the said section 5 shall not apply and the effective date of an entry in the valuation roll, made in pursuance of a direction under subsection (2) of the said section, of a rateable value apportioned under article 4 shall be the 1st April of the relevant year.

(2) Section 24 of the Lands Valuation (Scotland) Act 1854 shall apply in relation to valuations for the year 1985–86 as if the requirement for the Assessor to copy to the Corporation so much of any direction to a local assessor as concerns the lands and heritages of the Corporation were deleted.

*Revocation*

8. The British Gas Corporation (Rateable Values) (Scotland) Order 1978<sup>(a)</sup> is hereby revoked in respect of any year subsequent to 1984–85.

New St Andrew's House,  
Edinburgh.  
13th February 1985.

*George Younger,*  
One of Her Majesty's Principal  
Secretaries of State.

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EXPLANATORY NOTE

*(This Note is not part of the Order.)*

This order prescribes the aggregate rateable value of the lands and heritages comprising the operational undertaking of the British Gas Corporation in Scotland for the year 1985–86 and the method by which the aggregate rateable values for subsequent years are to be determined (Article 3). It also specifies the manner in which the aggregate rateable values are to be apportioned among rating areas (Article 4). It partly disapplies, for the year 1985–86 only, section 24 of the Lands Valuation (Scotland) Act 1854 and substitutes an alternative provision more appropriate to a year of revaluation (Article 7). The order revokes the British Gas Corporation (Rateable Values) (Scotland) Order 1978, which it replaces, as there is a need to prescribe rateable values for 1985–86 and modified formulae for their annual adjustment and apportionment, to take effect from the date of the general revaluation in 1985 (Article 8).

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<sup>(a)</sup> S.I. 1978/1176.

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