1990 No. 505 (S.63)

RATING AND VALUATION

The Valuation for Rating (Decapitalisation Rate) (Scotland) Regulations 1990

Made - - - -	*7th March 1990*
Laid before Parliament	*9th March 1990*
Coming into force	*1st April 1990*

The Secretary of State, in exercise of the powers conferred upon him by section 6(8A) of the Valuation and Rating (Scotland) Act 1956(**a**), and of all other powers enabling him in that behalf, hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Valuation for Rating (Decapitalisation Rate) (Scotland) Regulations 1990 and shall come into force on 1st April 1990.

Interpretation

2.—(1) In these Regulations–

"the 1956 Act" means the Valuation and Rating (Scotland) Act 1956;

"the 1980 Act" means the Education (Scotland) Act 1980(**b**);

"the 1989 Act" means the Self-Governing Schools etc. (Scotland) Act 1989(**c**);

"church property" means any premises to the extent to which section 22(1) of the 1956 Act(**d**) applies to them (exemption of churches from the non-domestic rate);

"contractor's principle" means the method of ascertaining the net annual value of lands and heritages by reference to their cost of construction or provision or to their capital value;

"decapitalisation rate" means the percentage rate which is applied to the cost of construction or provision or to the capital value of any lands and heritages for the purpose of ascertaining their net annual value when they are being valued in accordance with the contractor's principle;

"educational establishment" shall be construed in accordance with paragraph (2) of this regulation;

"hospital" shall be construed in accordance with paragraph (3) of this regulation;

"lands and heritages" means any lands and heritages or any part of them;

"net annual value" has the same meaning as in section 6(8) of the 1956 Act(**e**).

(**a**) 1956 c.60; section 6(8A) was inserted by the Local Government Finance Act 1988 (c.41), Schedule 12, paragraph 4. Section 6(8A) falls to be read with section 6(8B) which was also inserted by that paragraph and with section 6(8C) and (8D) which was inserted by the Local Government and Housing Act 1989 (c.42), Schedule 6, paragraph 5.

(**b**) 1980 c.44.

(**c**) 1989 c.39.

(**d**) Section 22(1) was substituted by the Local Government and Housing Act 1989, Schedule 6, paragraph 8(1).

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

(2) "Educational establishment" means any lands and heritages which are constructed or adapted for use for the purposes of, and which are wholly or mainly used for the purposes of–

(a) a school;

(b) a university;

(c) a central institution;

(d) a college of education whose governing body is constituted under regulation 10 of the Colleges of Education (Scotland) Regulations 1987(a);

(e) any institution for the provision of any form of further education which is managed by–

(i) an education authority; or

(ii) a company formed by virtue of section 65 of the 1989 Act; or

(iii) a body not established for profit;

and any expression used in this paragraph which is also used in the 1980 Act shall have the same meaning as in the 1980 Act.

(3) "Hospital" means any lands and heritages constructed or adapted wholly or mainly either–

(a) for the reception or treatment of persons suffering from any illness, injury or infirmity; or

(b) as a maternity home;

and used for such a purpose.

(4) Any reference in these Regulations to lands and heritages used for any purpose includes a reference to those lands and heritages which are not in use but which when last in use were used for such purpose.

Application of Regulations

3. These Regulations apply in relation to the valuation of any lands and heritages in accordance with the contractor's principle for the purposes of any valuation roll which comes into force on or after 1st April 1990.

Decapitalisation rate

4. The decapitalisation rate shall be–

(a) 4 per cent in the case of any lands and heritages consisting of any church property, an educational establishment or a hospital; and

(b) 6 per cent in any other case.

James Douglas-Hamilton
Parliamentary Under Secretary of State,
Scottish Office

St Andrew's House, Edinburgh
7th March 1990

(a) S.I. 1987/309.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations prescribe the decapitalisation rate to be applied when valuing lands and heritages in Scotland in accordance with the contractor's principle for the purposes of any valuation roll which comes into force on or after 1st April 1990.

The decapitalisation rate prescribed is 4 per cent in the case of certain church property, educational establishments or hospitals (as defined in the Regulations) and 6 per cent in any other case.