Draft Order laid before Parliament under section 143(8) of the Local Government Finance Act 1988 for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2000 No.

RATING AND VALUATION, ENGLAND

The Docks and Harbours (Rateable Values) (England) Order 2000

Made - - - -	*2000*
Coming into force	
for all purposes other than those of article 5	*2000*
for the purposes of article 5	*1st April 2000*

The Secretary of State for the Environment, Transport and the Regions, in exercise of the powers conferred on him by section 143(1) and (2) of, and paragraph 3(1), (3) and (4) of Schedule 6 to, the Local Government Finance Act 1988(**1**), and of all other powers enabling him in that behalf, hereby makes the following Order, a draft of which has been laid before, and approved by resolution of, each House of Parliament:

Citation, commencement and extent

1. This Order, which extends to England only, may be cited as the Docks and Harbours (Rateable Values) (England) Order 2000 and shall come into force—

(a) for all purposes other than those of article 5, on the day after the day on which it is made; and

(b) for the purposes of article 5, on 1st April 2000.

Interpretation

2. In this Order—

"the 1988 Act" means the Local Government Finance Act 1988;

(**1**) 1988 c. 41. *See* section 146(6) for the definition of "prescribed". Section 143(2) is amended by paragraph 72(2) of Schedule 5 to the Local Government and Housing Act 1989 (c. 42). Paragraph 3(1) of Schedule 6 is amended, and paragraphs 3(3) and 3(4) inserted, by paragraph 38(12) and (14) of Schedule 5 to the 1989 Act. These powers are devolved, in relation to Wales, to the National Assembly for Wales by the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I.1999/672); see the reference to the Local Government Finance Act 1988 in Schedule 1.

"accounting period" in relation to an undertaking means the period by reference to which the accounts relating to the undertaking are compiled;

"adjusted balance" in relation to an undertaking and a period means 92.5 per cent of the adjusted income of the undertaking for the period less 100 per cent of its adjusted expenditure for the period;

"adjusted expenditure" in relation to an undertaking and a period, means the amount of relevant expenditure of the undertaking for the period multiplied by

PY

, and

"adjusted income" in relation to an undertaking and a period means the amount of relevant income of the undertaking for that period multiplied by

PY,

where—

a P is the retail prices index for September 1997, and

b Y is the retail prices index for the September falling during the period in question, unless the base month for the index for that September differs from the base month for the index for September 1997, in which case Y is the figure calculated for the purposes of paragraph 5(5) of Schedule 7 to the 1988 Act as the figure which would have been the index for the September falling during the period if the base month for the index had been the same in both cases;

"conservancy functions" means functions conferred by or under any enactment for the conservation, maintenance or improvement of the navigation of a tidal water;

"relevant balance" in relation to an undertaking and a period means 92.5 per cent of the relevant income of that undertaking for the period, less 100 per cent of its relevant expenditure for the period;

"relevant expenditure" in relation to an undertaking and a period means all expenditure included or falling to be included in the revenue or profit and loss account of the undertaking for the period, whether derived from the operations carried on under the authority referred to in article 3(1)(a) or otherwise, other than—

(a) expenditure in respect of pilotage;

(b) expenditure—

(i) in relation to investments required to be shown in the accounts of the undertaking (other than expenditure in relation to investments in subsidiary companies);

(ii) consisting of or relating to interest payable in respect of borrowing;

(iii) consisting of payments for, or in connection with, the management of property which is let out and which is or forms part of either a hereditament shown on any non-domestic rating list or a dwelling which is shown on any valuation list maintained under Part I of the Local Government Finance Act 1992;

(c) expenditure incurred in respect of the disposal of land;

(d) expenditure incurred in connection with the exercise of conservancy functions; and

(e) amounts written off in respect of depreciation;

"relevant income" in relation to an undertaking and a period means all income by way of revenue included or falling to be included in the revenue or profit and loss account of the undertaking for the period, whether derived from the operations carried on under the authority referred to in article 3(1)(a) or otherwise, but excluding—

(a) income in respect of pilotage;

(b) income from—

(i) investments required to be shown in the accounts of the undertaking (other than investments in subsidiary companies);

(ii) loans or deposits;

(iii) rent or other payments receivable in consideration of the grant of permission for occupation or use of any property of the undertaking, or rights over such property, which is or forms part of either a hereditament which is shown on any non-domestic rating list or a dwelling which is shown on any valuation list maintained under Part I of the Local Government Finance Act 1992;

(c) any sum receivable in respect of the disposal of land; and

(d) an amount equal to any amount deducted in accordance with paragraph (d) of the definition of relevant expenditure (expenditure incurred in connection with the exercise of conservancy functions);

"retail prices index" has the meaning given by paragraph 5(8) of Schedule 7 to the 1988 Act(**2**);

"subsidiary" has the meaning given by section 736 of the Companies Act 1985(**3**);

"year" means a chargeable financial year; and in relation to any year "relevant preceding year" means the year ending immediately before the year in question.

Application

3.—(1) This Order applies, except in the cases described in paragraphs (2) to (4)—

(a) to any hereditament which consists of a dock or harbour undertaking carried on under authority conferred by or under any enactment, and

(b) in relation to a local non-domestic rating list (the "relevant list") compiled on 1st April 2000 in which such a hereditament falls to be shown.

(2) This Order does not apply—

(a) where the relevant income of the dock or harbour undertaking was not more than £1,000,000—

(i) in any accounting period of twelve months ending during the year ending with 31st March 1998, or, if there is none,

(ii) if there is an accounting period of any other length which ends in that year, in the period of twelve months which ends with the last day of the last such accounting period, or, if there is none,

(iii) in the twelve months ending with 31st March 1998; or

(b) where the persons carrying on the dock or harbour undertaking use the dock or harbour exclusively or mainly for the purpose of bringing or receiving goods—

(i) manufactured or produced by them; or

(ii) to be used by them for the manufacture or production of goods or electricity; or

(iii) to be sold by them; or

(iv) manufactured or produced by an associated body, and to be sold by that body.

(3) For the purposes of paragraph (2)(b), a body shall be treated as the associated body of any persons if—

(**2**) Paragraph 5(8) was amended by the Transfer of Functions (Economic Statistics) Order 1989 (S.I. 1989/992).
(**3**) 1985 c. 6. Section 736 was substituted by section 144(1) of the Companies Act 1989 c. 40.