

# Local Government, Housing and Planning Committee

**9<sup>th</sup> Meeting, 2023 (Session 6)**

**Tuesday, 21 March 2023**

## **SSI cover note for: Valuation for Rating (Plant and Machinery) (Scotland) Amendment Regulations 2023**

### **SSI 2023/32**

**Title of Instrument:** Valuation for Rating (Plant and Machinery) (Scotland)  
Amendment Regulations 2023

**Type of Instrument:** Negative

**Laid Date:** 9 February 2023

**Circulated to Members:** 16 February 2023

**Meeting Date:** 14 March 2023

**Minister to attend meeting:** No

**Motion for annulment lodged:** No

**Drawn to the Parliament's attention by the Delegated Powers and Law Reform  
Committee?** No

**Reporting deadline:** 27 March 2023

### **Recommendation**

1. The Committee is invited to consider any issues which it wishes to raise on this instrument.
2. An electronic copy of the instrument is available at: [Valuation for Rating \(Plant and Machinery\) \(Scotland\) Amendment Regulations 2023](#)

3. Copies of the Scottish Government’s Explanatory and Policy Notes are included in **Annexe A**.

## Purpose

4. The Policy Note explains that “This instrument amends The Valuation for Rating (Plant and Machinery) (Scotland) Regulations 2000 to exempt from rating, until 31 March 2035, certain plant and machinery used in connection with on-site renewable energy generation and storage.” This is intended to incentivise investment in renewable energy and support the attainment of Net Zero ambitions.

5. These Regulations introduce an additional exception for eligible plant and machinery items which are used for on-site renewable energy generation and storage, such as rooftop solar panels. This will bring on-site renewable generation into line with sites which use renewables to generate and export energy for off-site use. It also exempts specified plant and machinery used for the generation, storage, transformation or transmission of power at electric vehicle charging points.

## Delegated Powers and Law Reform Committee consideration

6. At its meeting on 7 March 2023<sup>1</sup> the DPLR Committee considered the instrument and agreed not to draw it to the attention of the relevant lead committee.

## Procedure for Negative Instruments

7. Negative instruments are instruments that are “subject to annulment” by resolution of the Parliament for a period of 40 days after they are laid. All negative instruments are considered by the Delegated Powers and Law Reform Committee (on various technical grounds) and by the relevant lead committee (on policy grounds). Under Rule 10.4, any member (whether a member of the lead committee) may, within the 40-day period, lodge a motion for consideration by the lead committee recommending annulment of the instrument. If the motion is agreed to, the Parliamentary Bureau must then lodge a motion to annul the instrument for consideration by the Parliament.

8. If that is also agreed to, Scottish Ministers must revoke the instrument. Each negative instrument appears on a committee agenda at the first opportunity after the Delegated Powers and Law Reform Committee has reported on it. This means that, if questions are asked or concerns raised, consideration of the instrument can usually be continued to a later meeting to allow correspondence to be entered into or a

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<sup>1</sup> <https://digitalpublications.parliament.scot/Committees/Report/DPLR/2023/3/8/95e37c32-adc9-4409-8099-aab18bb5b5a8#Introduction>

Minister or officials invited to give evidence. In other cases, the Committee may be content simply to note the instrument and agree to make no recommendation on it.

**Clerks,  
Local Government, Housing and Planning Committee**

## **Annexe A**

# **Scottish Government Explanatory Note**

### **EXPLANATORY NOTE**

These Regulations make amendments to the Valuation for Rating (Plant and Machinery) (Scotland) Regulations 2000 (“the principal Regulations”). The principal Regulations prescribe the plant and machinery which is to be assumed to be part of lands and heritages for the purposes of valuation for non-domestic rating.

Regulation 2(1) amends Class 1 in the schedule to insert two additional exceptions to the assumption that specified plant and machinery is part of lands and heritages. Plant and machinery is not relevant for valuation purposes where it is installed on a non-domestic property and is used, or intended to be used, for the generation, storage, transformation or transmission of power, with the sources of energy or technologies relied upon being wholly or mainly renewable. The same treatment applies to certain plant and machinery used for the generation, storage, transformation or transmission of power at electric vehicle charging points. This includes storage batteries and static transformers.

These exceptions have effect in relation to any day beginning with 1 April 2023 and ending with 31 March 2035.

### **POLICY NOTE**

#### **THE VALUATION FOR RATING (PLANT AND MACHINERY) (SCOTLAND) AMENDMENT REGULATIONS 2023**

#### **SSI 2023/32**

The above instrument was made in exercise of the powers conferred by section 42 of the Lands Valuation (Scotland) Act 1854. This instrument is subject to the negative procedure and comes into force on 1 April 2023.

<p>This instrument amends The Valuation for Rating (Plant and Machinery) (Scotland) Regulations 2000 to exempt from rating, until 31 March 2035, certain plant and machinery used in connection with on-site renewable energy generation and</p>
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### **Policy Objectives**

This instrument amends the classes of plant and machinery prescribed by regulation 2 of the Valuation for Rating (Plant and Machinery)(Scotland) Regulations 2000<sup>1</sup>, which are to be assumed to be part of lands and heritages for the purposes of valuation for non-domestic rating. The instrument will implement an exception for specified plant and machinery used in connection with on-site renewable energy generation and storage, or storage at electric vehicle charging points, from 1 April 2023 until 31 March 2035.

This exception is intended to incentivise investment in renewable energy and support the attainment of Net Zero ambitions. The Scottish Government is committed to reducing carbon emissions, and the development and promotion of renewable energy generation is one of a number of measures aimed at tackling this issue. It also aims to support the security of energy supply and help realise climate change ambitions.

The Valuation for Rating (Plant and Machinery)(Scotland) Regulations 2000 specify the plant and machinery which is to be assumed to be part of lands and heritages for the purposes of valuation for non-domestic rates valuation. Class 1 in the Schedule concerns power; more specifically plant and machinery which is used or intended to be used mainly or exclusively in connection with the generation, storage, primary transformation of power or main transmission of power in or on the lands and heritages.

An exception currently applies within Class 1 for sites which are generating electricity mainly or exclusively for distribution for sale to consumers. Identical sites generating power for other purposes, for example for on-site use only, may attract a higher rateable value as they are not covered by this exception.

These regulations introduce an additional exception within Class 1 for eligible plant and machinery items which would fall to be rateable under Class 1 and which are used for on-site renewable energy generation and storage, such as rooftop solar panels. This will bring on-site renewable generation into line with sites which use renewables to generate and export

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**1** The Valuation for Rating (Plant and Machinery) (Scotland) Regulations 2000 energy for off-site use. It also excepts specified plant and machinery used for the generation, storage, transformation or transmission of power at electric vehicle charging points.

Supporting green investment, the exception only applies to Class 1 items used in connection with the generation of power from the following renewables: energy sources or technologies which are mainly or exclusively one of the following: biomass, biofuels, fuel cells, photovoltaics, water (including waves and tides, but excluding production from the pumped storage of water), wind, solar power, or geothermal.

## **Consultation**

There is no statutory requirement to formally consult on these Regulations

## **Impact Assessments**

No Business and Regulatory Impact Assessment has been carried out.

Proprietors, tenants or owners with plant and machinery falling within the exception may see a reduction in their non-domestic rates bill.

## **Financial Effects**

The decrease in the amount of non-domestic rates payable is in line with the policy objective as outlined above.

Scottish Government  
Local Government and Communities Directorate

*February 2023*