

COMMUNITY EMPOWERMENT (SCOTLAND) ACT 2015

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 11: Non-domestic rates

Schemes for reduction and remission of non-domestic rates

448. The Act provides for a power relating to reduction or remission of rates for non-domestic properties (referred to as “lands and heritages”) in Scotland. It creates a power to allow rating authorities (which are the local authorities) to reduce or remit non-domestic rates (often referred to as business rates) leviable by them, in any financial year from 2015-16 onwards. This power will allow any rating authority to create, if it wishes, local relief schemes for any non-domestic rates leviable by it.
449. The power is created by an amendment of the Local Government (Financial Provisions etc.) (Scotland) Act 1962. Section 140(1) of the Act inserts section 3A into the 1962 Act to provide the power. Section 3A(4) allows reliefs to apply in accordance with schemes which may be defined by categories of property, areas, activities or any other matter. Any relief awarded ceases to apply at such time as the rating authority determines (subsection (3) of section 3A), or when there is a change in the occupation of the premises (subsection (5) of section 3A). Subsection (6) requires the rating authority to have regard to the authority’s expenditure and income and the interests of people liable to pay council tax set by the authority before creating or amending a relief scheme.
450. [Section 140\(2\)](#) amends Schedule 12 to the Local Government Finance Act 1992 (payments to local authorities) to ensure that the arrangements for pooling of income from non-domestic rates and funding of rating authorities will accommodate and remain unaffected by the authority’s power to create relief schemes, so that any loss of income from non-domestic rates incurred by the scheme must be funded from the local authority’s wider budget. Subsections (3) and (4) make consequential amendments to allow these changes to take effect.