

POLICY NOTE

THE NON-DOMESTIC RATING (UNOCCUPIED PROPERTY) (SCOTLAND) AMENDMENT REGULATIONS 2014

SSI 2014/31

The above instrument is made in exercise of the powers conferred on the Scottish Ministers by section 24B(3) of the Local Government (Scotland) Act 1966 and all other enabling powers. The instrument is subject to negative procedure.

Purpose of the Instrument

The purpose of this instrument is to extend the scope of the relief offered under the Fresh Start Relief scheme to support occupation of certain long term empty properties and to remove payday lenders from eligibility for that relief.

Background

This instrument comes into effect on 1 April 2014 and is aimed at extending the package of measures to incentivise occupation of empty premises, support and encourage diversification of high streets and to remove payday lenders from entitlement for relief.

For the first year of occupancy the Fresh Start Relief scheme allows the ratepayer to apply for the property to be deemed to be unoccupied, which allows a 50% reduction in the rates payable. The value of relief available is capped by State Aid de minimis (200,000 euros over a rolling 3 year period from all reliefs).

Effect of the Instrument

The instrument increases the qualifying threshold where a property has been empty for over 12 months (or in some cases has never been occupied) and then becomes occupied. The previous limit of a rateable value of up to £45,000 becomes a limit of up to £65,000. In addition, the instrument extends the categories of property to which relief is available to include where the property was last previously occupied as a hotel, public house or restaurant (or where there has not been previous use, the use is as a hotel, public house or restaurant).

Where the property becomes occupied by a payday lender, no relief may be applied from and after 1 April 2014.

Consultation

There is no statutory requirement to consult on these Regulations.

Business and Regulatory Impact Assessment

No Business Regulatory Impact Assessment has been carried out.

Financial Implications

The cost of the expansion of the Fresh Start Relief scheme is included within existing domestic rate income estimates for 2014-15.

Local Government Division
February 2014