

POLICY NOTE

THE NON-DOMESTIC RATES (RURAL AREAS) (SCOTLAND) REGULATIONS 2017

SSI 2017/22

The above instrument is made in exercise of the powers conferred by section 153 of the Local Government etc. (Scotland) Act 1994 and by all other enabling powers. The instrument is subject to the negative procedure.

Purpose of the Instrument

The instrument makes provision from 1 April 2017, for reductions in non-domestic rates on certain premises located in rural areas.

Background – Rural rate relief

The relief provides relief (bill discounts) to businesses with properties in Scotland to properties that provide essential services to rural communities.

Under this scheme, 100% mandatory rate relief (previously this was split 50% mandatory/50% discretionary) is available to qualifying subjects as outlined below.

2017-18

Qualifying Subject	RV Threshold from 1 April 2017
Small food shop, general store or post office	£8,500
Petrol filling station, small hotel or public house	£12,750

In addition, local authorities have discretionary powers to grant up to 100% relief to properties which provide a service which is of benefit to the community where they consider it would be in the interest of council tax payers to do so.

No changes have been made to qualifying rural areas.

Consultation

There is no statutory requirement to consult on these Regulations, however the changes were proposed as part of the Draft Budget, which is a consultative process.

Business and Regulatory Impact Assessment

No Business and Regulatory Impact Assessment has been carried out.

Financial Implications

The projected cost of the Rural Relief is estimated at around £5 million in 2017-18

The present instrument has no additional financial effects on the Scottish Government or local government.

Local Government Division
January 2017