

POLICY NOTE

THE NON-DOMESTIC RATING (UNOCCUPIED PROPERTY) (SCOTLAND) AMENDMENT REGULATIONS 2017

SSI 2017/43

The above instrument is made in exercise of the powers conferred on the Scottish Ministers by sections 24(2) and (3) and 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 continue two incentives, the first of which supports occupation of certain long-term empty properties and the second assists developers of new properties that are empty when entered on the valuation roll.

Background

This instrument comes into effect on 1 April 2017, and continues two incentives first established on 1 April 2013 supporting diversification of high streets and development of new properties.

The first (referred to as Fresh Start) applies where a property has been empty for over 12 months and then becomes occupied. It applies if the property has a rateable value of up to £65,000 and was last previously occupied as a shop, office, restaurant, pub or hotel (or where there has not been previous use, the use is as a shop, office, restaurant, pub or hotel). For the first year of occupancy the ratepayer can 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 subject to State aid de minimis (200,000 euros over a three-year period).

The second (referred to as New Start) applies where a new property is first entered in the valuation roll on or after 1 April 2017 and is unoccupied on the date of that entry: the ratepayer can apply for 100% rate relief for up to 15 months while it is unoccupied (subject to State aid de minimis). After the 15-month period, an unoccupied property would be liable for the rates in the same way as if it had it been occupied during that period. The relief will be available for properties entered on the valuation roll up to 31 March 2018. The relief need not apply to a continuous period, and can apply if the property is unoccupied on or before 31 March 2020.

Consultation

There is no statutory requirement to formally consult on these Regulations.

Business and Regulatory Impact Assessment

No Business and Regulatory Impact Assessment has been carried out.

Financial Implications

The costs of continuing the Fresh Start and New Start incentives will be absorbed from within existing non domestic rate income estimates.

Local Government & Analytical Services Division

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