

## **POLICY NOTE**

### **THE NON-DOMESTIC RATES (DISTRICT HEATING RELIEF) (SCOTLAND) REGULATIONS 2017**

**SSI 2017/61**

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

#### **Purpose of the Instrument**

The purpose of this instrument is to provide a new rates relief of 50% in respect of district heating.

#### **Background**

This measure forms part of a wider package of support for renewables in relation to non-domestic rates set out in a statement in Parliament on 21 February 2017 by the Cabinet Secretary for Finance and the Constitution, Derek Mackay. Other related measures are being addressed in separately proposed legislation.

#### **Policy objective**

District heating allows the efficient use of a range of heat sources, creating a heat network which can result in lower carbon emissions and more affordable heating, and supply long-term investment in infrastructure which can be adapted to meet changing energy demands.

The rates relief is 50% for rateable properties used wholly or mainly for the purposes of a district heating network, subject to possible reduction in respect of certain other applicable reliefs.

#### **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 decrease in the amount of non-domestic rates payable is in line with the policy objective as outlined above, and is subject to State aid *de minimis*.

**Local Government & Analytical Services Division  
March 2017**