

POLICY NOTE

THE NON-DOMESTIC RATES (LEVYING) (SCOTLAND) REGULATIONS 2017

SSI 2017/9

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 as a result of the Small Business Bonus Scheme (SBBS) and provides for a poundage supplement on larger business properties with a rateable value in excess of £51,000.

Background - Small Business Bonus Scheme

The Scheme provides relief (bill discounts) to businesses with properties in Scotland where the cumulative rateable value is £18,000 or less for 2017-18. Where the cumulative rateable value of a business's properties falls between £18,000 and £35,000, the Scheme will offer 25% relief to individual properties with a rateable value of £18,000 or less.

The Scheme provides the following reliefs from 1 April 2017:

Combined rateable value (RV) of all business properties in Scotland Relief percentage under SBBS

2017-18	Relief %
Up to £15,000	100%
£15,001 to £18,000	25%
£18,001 to £35,000	25% on each individual property with a rateable value not exceeding £18,000*

*This allows a business with 2 or more properties with a cumulative rateable value of under £35,000 to qualify for relief at 25% on individual properties with a RV up to £18,000.

In addition, payday lenders will continue to be unable to benefit from the Scheme.

Large Business Supplement

This supplement contributes a proportion of the cost of the Small Business Bonus Scheme. This instrument provides for a poundage supplement of 2.6p in the pound for all business properties with a rateable value exceeding £51,000 in 2017-18.

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 Small Business Bonus Scheme is estimated at around £224 million in 2017-8. It is estimated that the large business supplement of 2.6p in the pound for 2017-18 will raise a total around £126 million.

The Scottish Government reimburses local authorities for the cost of granting relief as part of the general revenue grant payment. The present instrument has no additional financial effects on the Scottish Government or local government.

Local Government Division
January 2017