

## **POLICY NOTE**

### **THE NON-DOMESTIC RATES (RENEWABLE ENERGY GENERATION RELIEF) (SCOTLAND) AMENDMENT REGULATIONS 2018**

#### **SSI 2018/64**

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 twofold.

First, it ends the relief for new-build renewables from 1 April 2018. That relief would effectively have become superfluous as a separate, wider relief will become applicable from that date. This latter relief is related to the ‘growth accelerator’ measure recommended by the Barclay review of non-domestic rates, and will be provided by a different statutory instrument.

Second, this instrument provides from 1 April 2018 for a new 60% relief for hydro schemes each with rateable value no more than £5 million.

#### **Background**

These measures revise and improve our package of support for renewables in relation to non-domestic rates. In respect of hydro, the detail of this support is pending the outcome of a forthcoming review of plant & machinery rateability, as per our implementation plan in response to the Barclay review.

#### **Policy objective**

Renewable energy is one of Scotland’s most important industries, creating jobs and investment opportunities while delivering secure, low carbon and cost-effective energy. The Scottish Government is committed to reducing carbon emissions, and the development and promotion of renewable energy generation is one of a number of measures aimed at tackling this issue.

Decreasing the non-domestic rates payable on these properties should increase the attractiveness of renewables technologies as a means of energy generation. This should, in turn, promote greater energy generation in the sector and a reduction in carbon emissions.

#### **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**

**February 2018**