

POLICY NOTE

THE NON-DOMESTIC RATES (TRANSITIONAL RELIEF) AMENDMENT (SCOTLAND) REGULATIONS 2018

SSI 2018/76

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 reduce the amount payable as non-domestic rates for certain properties for 2018-19 by amending the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2017.

These are properties wholly or mainly used for specified purposes, that were so used on 31 March 2017 (or, if unoccupied on that date, were so used when last occupied), subject to certain other conditions. The specified purposes include use as a hotel, restaurant, pub 1 with a rateable value no greater than £1.5 million and (in Aberdeen and Aberdeenshire only) offices.

Any increase in the 'gross bill' 2 for a day in 2018-19 is to be no more than 12.5 per cent (real terms)³ of the gross bill for 31 March 2018, subject to adjustment in respect of any changes in rateable value taking effect after the date of revaluation, i.e. 1st April 2017).

Arrangements in Regulation 13 of Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2017 for former full relief properties do not continue beyond 31 March 2018. Relief for properties shown in split or reorganised entries no longer applies from 1st April 2018. Separate relief for hydropower generation is instead provided by The Non-Domestic Rates (Renewable Energy Generation Relief) (Scotland) Amendment Regulations 2018 from 1st April 2018.

Interaction of Transitional relief with the Growth Accelerator is dealt with in regulation 4 (3) of The Non-Domestic Rates (New and Improved Properties) (Scotland) Regulations 2018. This calculates the transitional limit discounting against increases to it in respect of certain property improvements.

¹ The full list is in the Schedule to the Regulations.

² The gross bill for the purposes of this note is the rateable value on that day multiplied by a poundage factor; the poundage factor being the non-domestic rate for that year plus, where applicable, the large business supplement for that year.

³ Accounting for inflation at 2%.

Policy objective

The objective is to target continued targeted support in light of the 2017 revaluation.

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
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