

**2021 No. 64**

**RATING AND VALUATION**

**The Non-Domestic Rates (District Heating Relief and  
Renewable Energy Generation Relief) (Scotland) Amendment  
Regulations 2021**

*Made* - - - - *4th February 2021*  
*Laid before the Scottish Parliament* *8th February 2021*  
*Coming into force* - - *1st April 2021*

The Scottish Ministers make the following Regulations in exercise of the power conferred by section 153(1) of the Local Government etc. (Scotland) Act 1994<sup>(a)</sup> and all other powers enabling them to do so.

**Citation and commencement**

1. These Regulations may be cited as the Non-Domestic Rates (District Heating Relief and Renewable Energy Generation Relief) (Scotland) Amendment Regulations 2021 and come into force on 1 April 2021.

**Amendment of the Non-Domestic Rates (District Heating Relief) (Scotland) Regulations 2017**

2.—(1) The Non-Domestic Rates (Domestic Heating Relief) (Scotland) Regulations 2017<sup>(b)</sup> are amended in accordance with paragraphs (2) to (5).

(2) In regulation 2 (interpretation), after the definition of “local authority” omit “and” and insert—

““renewable generation” means heat or power produced from the following sources—

- (a) biomass,
- (b) biofuels,
- (c) fuel cells,
- (d) photovoltaics,
- (e) water (including waves and tides, but excluding production from the pumped storage of water),
- (f) wind,

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(a) 1994 c.39. Section 153 was amended by section 67 of the Climate Change (Scotland) Act 2009 (asp 12), section 15 of the Non-Domestic Rates (Scotland) Act 2020 (asp 4) and paragraph 7 of schedule 4 of the Coronavirus (Scotland) (No. 2) Act 2020 (asp 10). The functions of the Secretary of State were transferred to the Scottish Ministers by virtue of section 53 of the Scotland Act 1998 (c.46).

(b) S.S.I. 2017/61, which was amended by S.S.I. 2020/391.

- (g) solar power,
- (h) geothermal sources,
- (i) heat or cold unavoidably generated as a by-product of another process, which would be wasted if not used for the purposes of a district heating network,
- (j) the thermal treatment or incineration of waste materials that would not otherwise be recycled or reused, and”.

(3) In regulation 3 (amount payable as rates – lands and heritages used for the purposes of a district heating network), after paragraph (2) insert—

“(3) No relief is granted by this regulation—

- (a) to any lands and heritages that qualify for relief under regulation 3A, or
- (b) for any day after the financial year ending with 31 March 2032.”.

(4) After regulation 3 insert—

**“Amount payable as rates – lands and heritages used for the purpose of a district heating network powered by renewable generation**

**3A.**—(1) This regulation grants relief to a person who is liable to pay rates levied under section 7B of the 1975 Act in respect of lands and heritages on a day where—

- (a) that person uses the lands and heritages wholly or mainly for the purposes of a district heating network,
- (b) that network is powered wholly or mainly by renewable generation, and
- (c) application for relief is made in accordance with regulation 5.

(2) The relief granted under paragraph (1) is a reduction of the amount of rates payable by 90%.

(3) This regulation applies—

- (a) only to lands and heritages first entered in the valuation roll as used for the purposes of a district heating network on or after 1 April 2021, and
- (b) for any day in the financial years beginning with 1 April 2021 and ending with 31 March 2024.”.

(5) In regulation 4 (relief – further provisions)—

- (a) in paragraph (1)(a) for “regulation 3(1)” substitute “regulation 3(1) or 3A(1)”,
- (b) after paragraph (1)(a) omit “and”,
- (c) after paragraph (1)(b) insert—
  - “and
  - (c) no relief is to be granted under regulation 3A(1) where the amount of the reduction under those enactments is 90% or more of the rates which would otherwise be payable.”, and
- (d) in paragraph (2)(e) for “Non-Domestic Rates (Levying) (Scotland) Regulations 2017” substitute “Non-Domestic Rates (Levying and Miscellaneous Amendments) (Scotland) Regulations 2021”.

**Amendment of the Non-Domestic Rates (Renewable Energy Generation Relief) (Scotland) Regulations 2010**

**3.**—(1) The Non-Domestic Rates (Renewable Energy Generation Relief) (Scotland) Regulations 2010(a) are amended in accordance with paragraph (2).

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(a) S.S.I. 2010/44. Regulation 3C was inserted by S.S.I. 2016/121 and was amended by S.S.I. 2017/60 and S.S.I. 2020/391. There are other amendments to those Regulations that are not relevant to these Regulations.

(2) In regulation 3C (relief – further provision) after subsection (2) insert—

“(2A) No relief is granted by regulation 3B for any day after the financial year ending with 31 March 2032.”.

St Andrew’s House,  
Edinburgh  
4th February 2021

*KATE FORBES*  
A member of the Scottish Government

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Non-Domestic Rates (Domestic Heating Relief) (Scotland) Regulations 2017 (“the 2017 Regulations”) and the Non-Domestic Rates (Renewable Energy Generation Relief) (Scotland) Regulations 2010 (“the 2010 Regulations”).

Regulation 2(4) amends the 2017 Regulations to provide a reduction of 90% in the non-domestic rates that would be payable by a person using lands and heritages for the purposes of a district heating network, where that network is wholly or mainly powered by renewable energy sources. Regulation 2(2) inserts a definition of “renewable generation” into the 2017 Regulations for this purpose. This relief is only available for such networks where they are first entered in the valuation roll after the 2020/21 financial year. It is available for three financial years. An application for the relief is required.

Regulation 2(3) makes a consequential amendment and provides that relief where lands and heritages are used for district heating networks will continue to be available until the end of the 2031/32 financial year. That relief is a reduction of 50% in the non-domestic rates that would otherwise be payable. Regulation 2(5) provides for a reduction in the relief if other enactments provide a relief.

Regulation 3(2) amends the 2010 Regulations in relation to relief where lands and heritages are used to generate renewable energy from water. That relief will continue to be available until the end of the 2031/32 financial year. It is a reduction of 60% in the non-domestic rates that would otherwise be payable.

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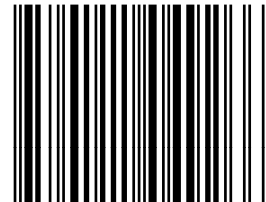
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