

SCHEDULES

SCHEDULE 2

Section 5.

RELIEF FROM NON-DOMESTIC RATES FOR GENERAL STORES ETC. IN RURAL SETTLEMENTS: SCOTLAND

Rural settlement list

- 1 (1) Each rating authority must compile and maintain, in accordance with paragraph 2, a list (to be called its rural settlement list).
- (2) A rural settlement list is to have effect for each financial year and must identify for each financial year any settlements mentioned in sub-paragraph (3).
- (3) The settlements referred to in sub-paragraph (2) are those which—
- (a) are wholly or partly within the authority's area,
 - (b) appear to the authority to have had a population of not more than 3,000 on the last 31st December before the beginning of the financial year in question, and
 - (c) in that financial year are wholly or partly within an area designated by the Secretary of State by order as a rural area for the purposes of this paragraph.
- (4) A rural settlement list must identify the boundaries of each settlement (whether by defining the boundaries or referring to boundaries defined in a map or other document), but if a settlement is not wholly within the area of a rating authority the list need not identify the boundaries outside the authority's area.
- (5) An order under sub-paragraph (3)(c) may provide for designating as a rural area any area for the time being identified by any person, in any manner, specified in the order.
- (6) Sub-paragraph (1) does not apply to a rating authority in respect of any financial year for which there are no such settlements as are mentioned in sub-paragraph (3) (and, accordingly, if the authority have compiled a rural settlement list, they are to cease to maintain that list).

Preparation and maintenance of lists

- 2 (1) The rating authority must, throughout the period of three months preceding the beginning of the first financial year for which a rural settlement list is to have effect, make available for inspection a draft of the list in the form in which the authority propose that it should have effect for that year.
- (2) In each financial year for which a rural settlement list has effect the rating authority must (if it appears to the authority that paragraph 1(1) will apply to the authority in respect of the next financial year) review the list and consider whether or not, for the next financial year, any alterations are required to the list in order to give effect to paragraph 1(2).

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- (3) If following the review the authority consider that any such alterations are required for that year, they must, throughout the three months preceding the beginning of that year, make available for inspection a draft of the list in the form in which they propose that it should have effect for that year.
- (4) A rating authority which has compiled a rural settlement list must make it available for inspection in the form in which the list has effect for each financial year to which it relates.
- (5) Where a rating authority are required to make any list or draft available under this paragraph, they must make the list or draft available at any reasonable hour (and free of charge) at their principal office.

Mandatory relief

- 3 (1) For any period in a financial year where sub-paragraph (2) applies to lands and heritages, the non-domestic rate leviable in respect of the lands and heritages is to be one half of the non-domestic rate which would have been leviable apart from this paragraph.
- (2) This sub-paragraph applies where—
 - (a) the lands and heritages are within a settlement identified in the rating authority's rural settlement list for the financial year in which the period falls,
 - (b) the rateable value of the lands and heritages shown in the valuation roll at the beginning of that financial year is not more than any amount prescribed by the Secretary of State by order, and
 - (c) during the period concerned—
 - (i) the whole or part of the lands and heritages is used as a qualifying general store^[F1], qualifying food store^[F1] or qualifying post office, or
 - (ii) any conditions prescribed by the Secretary of State by order are satisfied;

and sub-paragraphs (3) to (5) apply for the purposes of this sub-paragraph.
- (3) The whole or part of lands and heritages is used as a qualifying general store for any period in a financial year if—
 - (a) a trade or business consisting wholly or mainly of the sale by retail of both food for human consumption (excluding confectionery) and general household goods is carried on there, and
 - (b) such a trade or business is not carried on in any other lands and heritages or part of any lands and heritages, in the settlement concerned.
- ^[F2](3A) The whole or part of lands and heritages is used as a qualifying food store for any period in a financial year if a trade or business consisting wholly or mainly of the sale by retail of food for human consumption (excluding confectionery and excluding the supply of food in the course of catering) is carried on there.]
- ^[F3](3B) In subsection (3A) above, the supply of food in the course of catering includes—
 - (a) any supply of food for consumption on the premises on which it is supplied; and
 - (b) any supply of hot food for consumption off those premises;

and for the purposes of paragraph (b) above “ hot food ” means food which, or any part of which—

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- (i) has been heated for the purposes of enabling it to be consumed at a temperature above the ambient air temperature; and
 - (ii) is at the time of supply above that temperature.]
- (4) The whole or part of lands and heritages is used as a qualifying post office for any period in a financial year if—
- (a) it is used for the purposes of [^{F4}a universal service provider (within the meaning of [^{F5}Part 3 of the Postal Services Act 2011]) and in connection with the provision of a universal postal service (within the meaning of [^{F6}that Part])], and
 - (b) neither the whole nor part of other lands and heritages in the settlement concerned is so used.
- (5) Where the whole or part of lands and heritages is used as a qualifying general store or qualifying post office for any period in a financial year, it is not to be treated as ceasing to be so used merely because the condition in sub-paragraph (3)(b) or (4)(b) ceases to be satisfied.
- [^{F7}(6) The amendments to this paragraph made by section 29 of the Local Government in Scotland Act 2003 (asp 1) (which extend mandatory relief to certain food stores) are to have effect only as respects financial years beginning on or after 1st April 2003.]

Textual Amendments

- F1** Words in Sch. 2 para. 3(2)(c)(i) inserted (1.4.2003) by [Local Government in Scotland Act 2003 \(asp 1\)](#), [ss. 29\(a\)](#), 62(2); [S.S.I. 2003/134](#), [art. 2\(1\)](#), Sch.
- F2** Sch. 2 para. 3(3A) inserted (1.4.2003) by [Local Government in Scotland Act 2003 \(asp 1\)](#), [ss. 29\(b\)](#), 62(2); [S.S.I. 2003/134](#), [art. 2\(1\)](#), Sch.
- F3** Sch. 2 para. 3(3B) inserted (1.4.2003) by [Local Government in Scotland Act 2003 \(asp 1\)](#), [ss. 29\(b\)](#), 62(2); [S.S.I. 2003/134](#), [art. 2\(1\)](#), Sch.
- F4** Words in Sch. 2 para. 3(4)(a) substituted (26.3.2001) by [2000 c. 26](#), s. 127(4), [Sch. 8 Pt. II para. 25](#); [S.I. 2001/1148](#), [art. 2](#), Sch. (with [art. 34](#))
- F5** Words in [Sch. 2 para. 3\(4\)\(a\)](#) substituted (1.10.2011) by [Postal Services Act 2011 \(c. 5\)](#), s. 93(2)(3), [Sch. 12 para. 148\(a\)](#); [S.I. 2011/2329](#), [art. 3](#)
- F6** Words in [Sch. 2 para. 3\(4\)\(a\)](#) substituted (1.10.2011) by [Postal Services Act 2011 \(c. 5\)](#), s. 93(2)(3), [Sch. 12 para. 148\(b\)](#); [S.I. 2011/2329](#), [art. 3](#)
- F7** Sch. 2 para. 3(6) inserted (1.4.2003) by [Local Government in Scotland Act 2003 \(asp 1\)](#), [ss. 29\(c\)](#), 62(2); [S.S.I. 2003/134](#), [art. 2\(1\)](#), Sch.

^{F8}[^{F9}3A(1) For any period (“the relevant period”) in a financial year beginning on or after 1st April 2003 where sub-paragraph (2) applies to lands and heritages, the non-domestic rate leviable in respect of the lands and heritages is to be one half of the non-domestic rate which would have been leviable apart from this paragraph.

(2) This sub-paragraph applies where—

- (a) the rateable value of the lands and heritages shown in the valuation roll at the beginning of the financial year in which the relevant period falls is not more than any amount prescribed by the Scottish Ministers by order,
- (b) the lands and heritages consist wholly or mainly of land or a building which, on at least 183 days during the period of one year which ends immediately before this sub-paragraph comes into effect, was (or was, by virtue of any enactment, treated as being) agricultural lands and heritages for the purposes

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- of section 7(3) (no agricultural lands and heritages to be entered in the valuation roll) of the Valuation and Rating (Scotland) Act 1956 (c. 60), and
- (c) during the relevant period, the land or building—
- (i) is not (and is not, by virtue of any enactment, treated as being) agricultural lands and heritages for those purposes, and
 - (ii) is occupied by a relevant person.
- (3) For the purposes of sub-paragraph (2)(b)—
- (a) any part of the lands and heritages which was, on the days which are taken into account for the purposes of determining whether the condition set out in that sub-paragraph is met, a dwelling (within the meaning of Part II (council tax) of the Local Government Finance Act 1992 (c. 14)) is to be disregarded for the purposes of determining whether that condition is met, and
 - (b) a building which has replaced a building which was, on those days, an agricultural building (within the meaning of section 7(2) of that Act of 1956) is to be treated as if it were the original building.
- (4) For the purposes of sub-paragraph (2)(c), land or a building is occupied by a relevant person if it is occupied by—
- (a) the person who occupied the land or building on the days which are taken into account for the purposes of determining whether the condition set out in sub-paragraph (2)(b) is met, or
 - (b) a member of that person's family.
- (5) If the land or building was occupied, on the days which are taken into account for the purposes of determining whether the condition set out in sub-paragraph (2)(b) is met, by a body corporate or a partnership, the reference in subsection (4)(a) above to a person is to be treated as a reference to—
- (a) any person who, on each of those days, had (alone or together with members of that person's family)—
 - (i) more than half the voting rights in the company, or
 - (ii) the right to appoint or remove a majority of the directors of the company, or, as the case may be
 - (b) any person who, together with members of that person's family, were, on each of those days, both, all or a majority of the partners in the partnership.
- (6) In determining, for the purposes of sub-paragraph (4)(b) or (5), whether a person is a member of the same family as another—
- (a) a person is to be so treated if that person is—
 - (i) the spouse or a brother or sister of the spouse,
 - (ii) a parent or other ascendant or child (or step-child) or other descendant,
 - (iii) a brother or sister or the spouse of a brother or sister, or
 - (iv) an uncle, aunt, niece, nephew or cousin,
 of the other, and
 - (b) a person is to be treated as another's spouse if they live together—
 - (i) as if they were husband and wife, or
 - (ii) in a relationship which has the characteristics of the relationship between husband and wife except that the persons are of the same gender.

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- (7) Sub-paragraph (2) does not apply to land and heritages during any period in which section 7B (rate relief for certain buildings used for breeding or rearing horses) of that Act of 1956 applies in relation to the land and heritages.
- (8) Subject to sub-paragraph (9), this paragraph ceases to have effect at the end of the period of five years beginning with the day on which this paragraph comes into effect.
- (9) The Scottish Ministers may by order extend or further extend the period mentioned in sub-paragraph (8).
- (10) If the period is extended or further extended sub-paragraph (2) does not apply to lands and heritages after the end of the period of five years beginning with the day on which it first applied to the lands and heritages.]

Textual Amendments

- F8** Sch. 2 para. 3A ceases to have effect by virtue of 1997 c. 29 Sch. 2 para. 3A(8)(9) (as inserted) (1.4.2008) by virtue of [Local Government in Scotland Act 2003 \(asp 1\)](#), **ss. 28(3)**, 62(2); [S.S.I. 2003/134](#), [art. 2\(1\)](#), [sch.](#)
- F9** Sch. 2 para. 3A inserted (1.4.2003) by [Local Government in Scotland Act 2003 \(asp 1\)](#), **ss. 28(3)**, 62(2); [S.S.I. 2003/134](#), [art. 2\(1\)](#), [Sch.](#)

Discretionary relief

- 4 (1) Without prejudice to section 25A of the ^{M1}Local Government (Scotland) Act 1966, a rating authority may reduce or remit any non-domestic rate leviable in respect of lands and heritages for any period in a financial year in which [^{F10}any of the conditions mentioned in sub-paragraphs (2) to (2B) applies].
- (2) [^{F11}The first of those conditions] is—
 - (a) that the lands and heritages are within a settlement identified in the rating authority's rural settlement list for the financial year in which the period falls, and
 - (b) that the rateable value of the lands and heritages shown in the valuation roll at the beginning of that financial year is not more than any amount prescribed by the Secretary of State by order.
- [^{F12}(2A) The second of those conditions is that paragraph 3A(2) applies in relation to the lands and heritages.]
- [^{F12}(2B) The third of those conditions is that—
 - (a) section 7B (rate relief for certain buildings used for breeding or rearing horses) of that Act of 1956 applies in relation to the lands and heritages,
 - (b) that section did not apply in relation to the lands and heritages before 1st April 2003, and
 - (c) the rateable value of the lands and heritages shown in the valuation roll at the beginning of the financial year is not more than any amount prescribed by the Scottish Ministers by order.]
- (3) Where paragraph 3(2)(c) does not apply, the rating authority must not, by virtue of this paragraph, make a reduction or remission unless they are satisfied that—

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- (a) the lands and heritages are used for purposes which are of benefit to the local community, and
- (b) it would be reasonable for the rating authority to make such a reduction or remission, having regard to the interests of persons liable to pay council tax set by them.

[^{F13}(4) The amendments to this paragraph made by section 28 of the Local Government in Scotland Act 2003 (asp 1) (which allow discretionary relief to be given to certain former agricultural premises and certain buildings used for breeding or rearing horses) are to have effect only as respects financial years beginning on or after 1st April 2003.]

Textual Amendments

- F10** Words in Sch. 2 para. 4(1) substituted (1.4.2003) by [Local Government in Scotland Act 2003 \(asp 1\)](#), [ss. 28\(4\)\(a\)](#), 62(2); [S.S.I. 2003/134](#), [art. 2\(1\)](#), Sch.
- F11** Words in Sch. 2 para. 4(2) substituted (1.4.2003) by [Local Government in Scotland Act 2003 \(asp 1\)](#), [ss. 28\(4\)\(b\)](#), 62(2); [S.S.I. 2003/134](#), [art. 2\(1\)](#), Sch.
- F12** Sch. 2 para. 4(2A)(2B) inserted (1.4.2003) by [Local Government in Scotland Act 2003 \(asp 1\)](#), [ss. 28\(4\)\(c\)](#), 62(2); [S.S.I. 2003/134](#), [art. 2\(1\)](#), Sch.
- F13** Sch. 2 para. 4(4) inserted (1.4.2003) by [Local Government in Scotland Act 2003 \(asp 1\)](#), [ss. 28\(4\)\(d\)](#), 62(2); [S.S.I. 2003/134](#), [art. 2\(1\)](#), Sch.

Modifications etc. (not altering text)

- C1** Sch. 2 para. 4 excluded (1.4.2000) by [S.S.I. 2000/92](#), [art. 20](#)
- C2** Sch. 2 para. 4 excluded (1.4.2019) by [The Non-Domestic Rates \(Levying\) \(Scotland\) Regulations 2019](#) ([S.S.I. 2019/39](#)), [regs. 1](#), [5\(b\)](#)

Marginal Citations

- M1** [1966 c. 51](#).

Interpretation

- 5 In this Schedule—
- “financial year” means the twelve months ending with 31st March,
 - “non-domestic rate” is to be construed in accordance with section 7B of the ^{M2}Local Government (Scotland) Act 1975,
 - “rateable value” is to be construed in accordance with section 6 of the ^{M3}Valuation and Rating (Scotland) Act 1956.

Marginal Citations

- M2** [1975 c. 30](#).
- M3** [1956 c. 60](#).

Changes to legislation:

There are currently no known outstanding effects for the Local Government and Rating Act 1997, SCHEDULE 2.