

EXECUTIVE NOTE

THE NON-DOMESTIC RATING (RURAL AREAS AND RATEABLE VALUE LIMITS) (SCOTLAND) AMENDMENT ORDER 2010

SSI/2010/37

The above instrument is made in exercise of the powers conferred by section 5 and paragraphs 3(2)(b) and 4(2)(b) of Schedule 2 to the Local Government and Rating (Scotland) Act 1997 and of all other enabling powers. The instrument is subject to the negative resolution procedure.

Background

Every 5 years all non-domestic properties in Scotland are re-valued and assigned new valuations for non-domestic rating purposes. This Order uplifts the thresholds of the rural rates relief scheme (“the scheme”) in line with increases in rateable values arising from the revaluation which comes into effect on 1 April 2010.

Under the current scheme, where a settlement is designated as rural by Scottish Ministers and has a population 3,000 or less, 50% mandatory relief is available to qualifying subjects. Those subjects include qualifying shops, post offices, petrol stations and hotels/ public houses. Local authorities have discretionary powers to increase this rate relief up to 100%.

Policy Objective

This instrument amends the thresholds for mandatory relief contained in the Non-Domestic Rating (Rural Areas and Rateable Value Limits) (Scotland) Order 2005 following the 2010 revaluation of all non-domestic properties in Scotland.

Consultation

Although there is no statutory obligation to consult on this Order, we did previously consult on the 2005 Order which this instrument amends. However, as this Order increases the qualifying thresholds for the scheme and uses the same list of localities as the previous Order a further consultation was not deemed necessary.

Financial Effect

This instrument ensures that a broadly similar number of rural properties will continue to benefit from rates relief following the 2010 revaluation. The Scottish Government reimburses local authorities for the cost of granting mandatory relief as part of the general revenue grant payment. The cost of any discretionary relief granted by local authorities is funded 75% by the Scottish Government and 25% by the local authority.

Local Government Division
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