

EXECUTIVE NOTE

THE NON-DOMESTIC RATES (LEVYING) (SCOTLAND) (NO. 2) REGULATIONS 2012

SSI 2012/29

The above instrument is made in exercise of the powers conferred by section 153 of the Local Government etc. (Scotland) Act 1994 and by all other enabling powers. The instrument is subject to the negative procedure.

Background

As announced in the Draft Budget on 21 September 2011, the instrument makes provision from 1 April 2012 to 31 March 2015 for a flat rate poundage supplement to apply to retail properties in Scotland with a rateable value of £300,000 or more that are licensed to sell alcohol and also registered to sell tobacco.

Public Health Supplement

This instrument provides for a retail poundage public health supplement, which will apply to around 240 retail properties. This supplement is payable in addition to the 0.8p large business supplement contained in the Non-Domestic Rates (Levy) (Scotland) Regulations 2012.

The supplement which will apply will be 9.3 p per pound of rateable value in 2012-13 and 13p per pound in each of 2013-14 and 2014-15.

This additional income raised from this supplement, which is estimated to be £25m in 2012-13 and £35m in each of 2013-14 and 2014-15, will contribute towards the cost of supporting preventative spend measures, as outlined in the Draft Budget.

Consultation

There is no statutory requirement to consult on these Regulations. However, the supplement was consulted on as part of the 2012-13 Draft Budget, which ran from 21 September 2011 to 21 December 2011.

Following consultation, the total amount estimated to be raised has been reduced by £15m (from £110m to £95m), which has been spread equally across the 3 years of the Spending Review period.

Business and Regulatory Impact Assessment

The present instrument will not impose new regulatory burdens on the vast majority of businesses, charities or the voluntary sector.

The Regulations will impact on around 0.1% of Scottish non-domestic properties and it has been concluded that a Business and Regulatory Impact Assessment (BRIA) would have been disproportionate

Financial Effects

The large retail supplement will raise an estimated £25 million in 2012-13. In each of 2013-14 and 2014-15 an estimated £35m will be raised.

Local Government Division
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