

2024 No. 5

RATING AND VALUATION

**The Non-Domestic Rates (Transitional Relief) (Scotland)
Regulations 2024**

Made - - - - *9th January 2024*

Laid before the Scottish Parliament *11th January 2024*

Coming into force - - *1st April 2024*

The Scottish Ministers make the following Regulations in exercise of the powers conferred by section 153 of the Local Government etc. (Scotland) Act 1994(a), section 14(1) of the Non-Domestic Rates (Scotland) Act 2020(b) (“the 2020 Act”) and all other powers enabling them to do so.

In accordance with section 145 of the 2020 Act the Scottish Ministers have consulted such persons as they consider appropriate.

PART 1

Introductory

Citation and commencement

1. These Regulations may be cited as the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2024 and come into force on 1 April 2024.

Interpretation – general

2. In these Regulations—

“the 1962 Act” means the Local Government (Financial Provisions etc.) (Scotland) Act 1962(c),

“the 1966 Act” means the Local Government (Scotland) Act 1966(d),

“the 1975 Act” means the Local Government (Scotland) Act 1975(e),

(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) 2020 asp 4.

(c) 1962 c. 9.

(d) 1966 c. 51.

(e) 1975 c. 30.

“the 1997 Act” means the Local Government and Rating Act 1997(a),

“the 2022 Regulations” means the Non-Domestic Rates (Levying and Miscellaneous Amendment) (Scotland) Regulations 2022(b),

“the 2023 Regulations” means the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2023(c),

“the 2024 Regulations” means the Non-Domestic Rates (Levying and Miscellaneous Amendment) (Scotland) Regulations 2024(d),

“electronic communication” has the meaning given in section 15(1) of the Electronic Communications Act 2000(e),

“new entry”, in relation to a split, merged or reorganised entry, means an entry in the roll taking effect from the day on which the merged, split or reorganised entry takes effect,

“New and Improved Property Relief Regulations” means the Non-Domestic Rates (Relief for New and Improved Properties) (Scotland) Regulations 2022(f),

“old entry”, in relation to a merged, split or reorganised entry, means an entry in the roll for the day immediately prior to the day from which the merged, split or reorganised entry takes effect,

“part residential subjects” has the meaning given in section 99(1) of the Local Government Finance Act 1992(g),

“rateable value”, in relation to lands and heritages at a particular date, means—

- (a) in the case of part residential subjects, the rateable value entered in the roll for that date and apportioned to the non-residential use of those subjects,
- (b) in any other case, the rateable value entered in the roll for that date in respect of those lands and heritages,

and includes a rateable value so entered with retrospective effect,

“rates” means non-domestic rates levied under section 7B of the 1975 Act(h),

“the relevant year” means the period of 12 months beginning with 1 April 2024,

“revaluation” means the calculation of the rateable value of lands and heritages in connection with the making up of a valuation roll under section 1(1) of the 1975 Act,

“the roll” means a valuation roll made up under section 1(1) of the 1975 Act.

Interpretation – mergers

3. In these Regulations—

“merged entry” means any entry in the roll taking effect on a day in the relevant year as a result of the lands and heritages shown in two or more old entries being shown in a single new entry where—

- (a) none of the lands and heritages shown in the relevant old entries are shown in a new entry, other than in the merged entry, and
- (b) the merged entry does not show any lands and heritages shown in an old entry, other than in the relevant old entries,

(a) 1997 c. 29.
 (b) S.S.I. 2022/48.
 (c) S.S.I. 2023/31.
 (d) S.S.I. 2024/4.
 (e) 2000 c. 7. Section 15(1) was amended by paragraph 158 of schedule 17 of the Communications Act 2003 (c. 21).
 (f) S.S.I. 2022/49.
 (g) 1992 c. 14.
 (h) Section 7B was inserted in substitution for section 7A by section 110(2) of the Local Government Finance Act 1992 (c. 14) and amended by paragraph 100(4) of schedule 13 of the Local Government etc. (Scotland) Act 1994 (c. 39).

“the relevant old entries”, in relation to a merged entry, means the old entries which showed the lands and heritages shown in the merged entry.

Interpretation - splits

4. In these Regulations—

“split entry” means any entry in the roll taking effect on a day in the relevant year as a result of lands and heritages shown in a single old entry being shown in two or more new entries, where—

- (a) none of those new entries show lands and heritages shown in an old entry, other than in the relevant old entry, and
- (b) no lands and heritages shown in the relevant old entry are shown in a new entry, other than in those new entries,

“the relevant old entry”, in relation to a split entry, means the old entry which showed the lands and heritages shown in the split entry.

Interpretation – reorganisations

5. In these Regulations—

“reorganised entry” means any entry in the roll taking effect on a day in the relevant year which is not a split or a merged entry and which shows lands and heritages—

- (a) which were to any extent shown in two or more old entries, or
- (b) which are part only of lands and heritages shown in a single old entry and the other part of which is shown to any extent in one or more other new entries,

“the relevant old entries”, in relation to a reorganised entry, means the old entries affected by the reorganisation which gave rise to that entry,

“reorganisation” means a situation where, with effect from a day in the relevant year, lands and heritages shown immediately before that day in two or more old entries are shown in two or more new entries, each of which is a reorganised entry.

PART 2

Lands and heritages in the roll on 1 April 2023

Application of Parts 2 and 4

6.—(1) Subject to paragraphs (2) and (3), this Part and Part 4 apply to lands and heritages—

- (a) which were shown in the roll on 1 April 2023, and
- (b) in respect of all or any part of which there was an entry, or were entries, in the roll on 31 March 2023.

(2) This Part does not apply to lands and heritages shown in an entry in the roll on 1 April 2023 if—

- (a) that entry showed a nil rateable value, or
- (b) the only lands and heritages shown in that entry which were to any extent shown in the roll on 31 March 2023 had a nil rateable value on 1 April 2023.

(3) This Part does not apply to any lands and heritages shown in an entry if the only lands and heritages that were to any extent shown in the roll on 31 March 2023 had a nil rateable value on 31 March 2023 but had a rateable value above zero on 1 April 2023.

(4) Where a merged, split or reorganised entry takes effect on a date after 1 April 2023, this Part and Part 4 cease to apply to the lands and heritages shown in that entry, as from the date on which the merged, split or reorganised entry takes effect.

Amount payable as rates

7. Where the notional liability in respect of any lands and heritages to which this Part applies on any day in the relevant year is more than the transitional limit in respect of those lands and heritages on that day, the amount payable as rates in respect of those lands and heritages on that day is, subject to Part 3, that transitional limit, calculated in accordance with regulation 9.

Notional liability

8. The notional liability of any lands and heritages to which this Part applies on any day is to be calculated in accordance with the formula—

$$\frac{RV \times PF}{365}$$

where—

RV is the rateable value of those lands and heritages on that day, and

PF is the poundage figure of—

- (a) 0.559 where the lands and heritages have a rateable value exceeding £100,000,
- (b) 0.545 where the lands and heritages have a rateable value exceeding £51,000 but not exceeding £100,000,
- (c) 0.498 where the lands and heritages which have a rateable value of £51,000 or less.

Transitional limit

9.—(1) Subject to paragraph (3), in respect of lands and heritages to which this Part applies on any day—

- (a) where the rateable value for that day exceeds the rateable value on 1 April 2023, the transitional limit is calculated in accordance with the formula—

$$\frac{(BL \times X) + ((CRV - RV) \times PF)}{365}$$

- (b) in any other case the transitional limit is calculated in accordance with the formula—

$$\frac{BL \times X \times CRV}{365 \times RV}$$

(2) For the purposes of paragraph (1)—

BL is the base liability of the lands and heritages, calculated in accordance with regulation 10,
CRV is the rateable value of the lands and heritages on the day with reference to which the transitional limit is calculated,

RV is the rateable value of the lands and heritages entered in the roll at revaluation on 1 April 2023,

PF is the poundage figure of—

- (a) 0.559 where the lands and heritages have a rateable value exceeding £100,000,
- (b) 0.545 where the lands and heritages have a rateable value exceeding £51,000 but not exceeding £100,000,
- (c) 0.498 where the lands and heritages have a rateable value of £51,000 or less, and

X is—

- (a) 2.406 where at revaluation on 1 April 2023 the lands and heritages had a rateable value of more than £100,000,
- (b) 1.875 where at revaluation on 1 April 2023 the lands and heritages had a rateable value between £20,001 and £100,000,
- (c) 1.406 where at revaluation on 1 April 2023 the lands and heritages had a rateable value of £20,000 or less.

(3) Where relief is granted under regulation 10A(a) (relief granted – financial year 2024-25-lands and heritages in respect of which a relevant increase has been made within the previous 12 months) of the New and Improved Property Relief Regulations the transitional limit is calculated in accordance with paragraph (5) of that regulation.

Base liability

10.—(1) The base liability in respect of any lands and heritages is—

- (a) in the case of lands and heritages shown in a split or reorganised entry taking effect on 1 April 2023, to be calculated in accordance with the formula—

$$\frac{NL \times 365}{X}$$

where—

NL is the notional liability of those lands and heritages, calculated in accordance with regulation 8, and

X is—

- (i) 1.4 where at revaluation on 1 April 2023 the lands and heritages had a rateable value of more than £100,000,
 - (ii) 1.25 where at revaluation on 1 April 2023 the lands and heritages had a rateable value between £20,001 and £100,000,
 - (iii) 1.2 where at revaluation on 1 April 2023 the lands and heritages had a rateable value of £20,000 or less,
- (b) in any other case, the deemed amount (or, in the case of a merged entry taking effect on 1 April 2023, the total deemed amount) in respect of those lands and heritages calculated in accordance with paragraph (2).

(2) In paragraph (1)(b), the deemed amount in respect of any lands and heritages is the amount which would have been payable as rates in respect of those lands and heritages for the financial year ending 31 March 2023, had that amount been calculated on the basis of the rateable value of the lands and heritages on 31 March 2023, including any additional amounts of rates payable in terms of regulation 4 (amount payable as rates – lands and heritages with rateable value exceeding £51,000, but not exceeding £95,000) or 5 (amount payable as rates – lands and heritages with rateable value exceeding £95,000) of the 2022 Regulations, but before applying any reliefs.

(a) Regulation 10A is inserted by regulation 17 of these Regulations.

PART 3

Reductions, remissions and exemptions

Charitable and other reductions

11.—(1) This regulation has effect for determining the amount payable as rates in respect of land and heritages on a day in the relevant year where—

- (a) that amount falls to be reduced by virtue of one or more of the following enactments—
 - (i) section 4(2) of the 1962 Act(**a**),
 - (ii) section 24(3) of the 1966 Act(**b**),
 - (iii) section 4 or 5 of the Rating (Disabled Persons) Act 1978 Act(**c**),
 - (iv) paragraph 3 of schedule 2 of the 1997 Act(**d**),
 - (v) regulation 3 (amount payable as rates – lands and heritages with rateable value of less than £20,000 (single entries)) of the 2024 Regulations,
 - (vi) regulation 4 of the 2024 Regulations (amount payable as rates – lands and heritages with rateable value of £35,000 or less) (multiple entries)),
 - (vii) the following provisions of the New and Improved Property Relief Regulations—
 - (aa) regulation 4(1) (relief granted - new building entered in the valuation roll under section 2(1)(b) of the 1975 Act),
 - (bb) regulation 6(1) (relief granted – new building resulting in an alteration to the valuation roll under section 2(1)(d) of the 1975 Act), or
 - (cc) regulation 11(1) (additional relief granted - lands and heritages in respect of which a relevant increase has been made within the previous 12 months),
- (b) regulation 7 has effect as regards those lands and heritages on that day, and
- (c) regulation 12 does not have effect as regards those lands and heritages on that day.

(2) The amount payable is to be determined by applying the enactment referred to in paragraph (1)(a) by which the amount in question is reduced to the amount determined under regulation 7, in the same manner as that enactment would be applied to the full amount payable as rates in a case where the only relief applicable was the relief under that enactment.

Partially unoccupied lands and heritages

12.—(1) This regulation has effect for determining the amount payable as rates in respect of lands and heritages on a day in the relevant year where—

- (a) on that day those lands and heritages are subject to an apportionment under section 24A of the 1966 Act(**e**), and
- (b) regulation 7 has effect as regards those lands and heritages on that day.

(a) Section 4(2) was amended by section 5(a)(i) and schedule 4 of the Local Government (Miscellaneous Provisions) (Scotland) Act 1981 (c. 23) and section 98(2)(a) of the Charities and Trustee Investment (Scotland) Act 2005 (asp 10).

(b) Section 24(3) was amended by section 1(2)(a), (b) and (c) of the Local Government Finance (Unoccupied Properties etc.) (Scotland) Act 2012 (asp 11).

(c) 1978 c. 40. Section 4 was amended by paragraph 49(c) of schedule 10 of the Social Security Act 1986 (c. 50) and paragraph 48 of schedule 2 of the Social Security (Consequential Provisions) Act 1992 (c. 6). Section 5 was amended by section 5(1)(a), (b) and (c) of the Rating and Valuation (Amendment) (Scotland) Act 1984 (c. 31).

(d) Paragraph 3 was amended by section 29 of the Local Government in Scotland Act 2003 (asp 1) and paragraph 25 of schedule 8 and paragraph 148 of schedule 12 of the Postal Services Act 2011 (c. 5).

(e) Section 24A was inserted by section 155 of the Local Government etc. (Scotland) Act 1994 (c. 39) and was amended by section 1(3) of the Local Government Finance (Unoccupied Properties etc.) (Scotland) Act 2012 (asp 11) and section 19 of the Non-Domestic Rates (Scotland) Act 2020 (asp 9).

(2) The amount payable is, subject to paragraph (3), to be calculated in accordance with the formula—

$$A \times \frac{ARV}{RV}$$

where—

A is the amount payable for the day determined under regulation 7,

ARV is the applicable rateable value, being the rateable value treated for rating purposes as the rateable value of the lands and heritages in terms of section 24A(2) of the 1966 Act, and

RV is the rateable value shown in the roll for those lands and heritages.

(3) Where—

- (a) this regulation has effect as regards lands and heritages on a day, and
- (b) the amount payable as rates in respect of those lands and heritages on that day falls to be reduced by virtue of an enactment referred to in regulation 11(1)(a)(i), (iii), (iv), (v), (vi) or (vii),

the amount payable is to be determined in accordance with regulation 11(2) but as though for “regulation 7” there were substituted “regulation 12(2)”.

(4) This regulation ceases to apply where a merged entry takes effect on or after 1 April 2023, unless relief under regulation 11 was in place in respect of the lands and heritages in each of the entries which forms part of the merged entry, immediately before the merged entry took effect.

Exemptions and discretionary reductions and remissions

13. Nothing in these Regulations—

- (a) requires rates to be paid in respect of lands and heritages for a day where those lands and heritages are entirely exempt from rates for that day under any enactment, or
- (b) prejudices the power of a rating authority to grant a reduction or remission of rates under section 3A or 4(5) of the 1962 Act(a), section 25A of the 1966 Act(b) or paragraph 4 of schedule 2 of the 1997 Act(c).

PART 4

Cases involving small business bonus scheme relief or rural property relief as at 31 March 2023

Cap for properties with small business bonus scheme relief or rural property relief

14.—(1) This regulation applies in relation to lands and heritages where the amount of rates payable in respect of the lands and heritages was reduced by any of the following as at 31 March 2023—

- (a) regulation 3 (amount payable as rates – lands and heritages with a rateable value of £18,000 or less) of the 2022 Regulations,

(a) Section 3A was inserted by section 140(1) of the Community Empowerment (Scotland) Act 2015 (asp 6). Section 4(5) was amended by section 5(1)(b) of the Local Government and Planning (Scotland) Act 1982, paragraph 57 of schedule 13 of the Local Government etc. (Scotland) Act 1994 (c. 39), paragraph 2(a) of schedule 3 of the Local Government and Rating Act 1997(c. 29) and section 98(3) of the Charities and Trustee Investment (Scotland) Act 2005 (asp 10).

(b) Section 25A was inserted by section 156 of the Local Government etc. (Scotland) Act 1994 (c. 39).

(c) Paragraph 4 was amended by section 28(4)(a), (b) and (d) of the Local Government in Scotland Act 2003 (asp 1).

(b) paragraph 3 or 4(a) of schedule 2 of the 1997 Act (relief from non-domestic rates for general stores etc. in rural settlements: Scotland), where entitlement to the reduction is lost on 1 April 2023 as a result of an increase in rateable value of the lands and heritages above the limit provided for in—

- (i) article 3(1)(a) or, as the case may be, article 3(1)(b) of the 2005 Order, or
- (ii) article 3(2) of the 2005 Order.

(2) Where the net notional liability in respect of any lands and heritages to which this regulation applies on any day in the relevant year is more than the transitional limit in respect of those lands and heritages on that day, calculated in accordance with paragraph (4), the amount payable as rates in respect of those lands and heritages on that day is the limit calculated in accordance with paragraph (4).

(3) The net notional liability of any lands and heritages to which this regulation applies on any day is equal to the notional liability calculated in accordance with regulation 8, after any reliefs have been applied, including under regulation 7.

(4) In respect of lands and heritages to which this regulation applies on any day—

- (a) where the rateable value for that day exceeds the rateable value on 1 April 2023, the transitional limit is calculated in accordance with the formula—

$$\frac{DA + 1200 + (((CRV - RV) \times PF) - A) \times (100\% - Z)}{365}$$

- (b) in any other case the transitional limit is calculated in accordance with the formula—

$$\frac{(DA + 1200) \times CRV}{365 \times RV}$$

where—

A is the amount of relief granted under regulation 10 of the New and Improved Property Relief Regulations in respect of the day with reference to which the transitional limit is calculated, multiplied by 365,

CRV is the rateable value of the lands and heritages on the day with reference to which the transitional limit is calculated,

DA is the deemed amount within the meaning given in paragraph (5),

PF is the poundage figure of—

- (i) 0.559 where the lands and heritages have a rateable value exceeding £100,000,
- (ii) 0.545 where the lands and heritages have a rateable value exceeding £51,000 but not exceeding £100,000,
- (iii) 0.498 where the lands and heritages have a rateable value of £51,000 or less,

RV is the rateable value of the lands and heritages on 1 April 2023, and

Z is the percentage of relief other than relief under regulation 10A of the New and Improved Property Relief Regulations granted in respect of the day with reference to which the transitional limit is calculated.

(5) For the purposes of this regulation the deemed amount in respect of any lands and heritages is the amount which would have been payable as rates in respect of those lands and heritages for the financial year ending 31 March 2023, had that amount been calculated on the basis of the

(a) Paragraph 4 was amended by section 28(4) of the Local Government in Scotland Act 2003 (asp 1).

rateable value of the lands and heritages on 31 March 2023, including any additional amounts of rates payable in terms of regulation 4 (amount payable as rates – lands and heritages with rateable value exceeding £51,000 but not exceeding £95,000) or 5 (lands and heritages with rateable value exceeding £95,000) of the 2022 Regulations, and after applying any reliefs.

(6) Where there is an entitlement to relief under both this regulation and regulation 7, relief under this regulation is to be applied to the amount of rates payable after regulation 7 is applied.

(7) Subject to paragraph (8), relief under this regulation may only be granted where an application is made in accordance with regulation 16.

(8) Where relief under regulation 14 of the 2023 Regulations has been granted in respect of the financial year 2023-24, no application need be made in respect of the relevant year.

(9) In this regulation “the 2005 Order” means the Non-Domestic Rating (Rural Areas and Rateable Value Limits)(Scotland) Order 2005(a).

PART 5

Parks

Relief for parks or parts of parks previously exempt from rating and becoming rateable on 1 April 2023

15.—(1) In relation to the relevant year, this regulation grants relief in relation to lands and heritages where the lands and heritages were entered in the roll on 1 April 2023, in terms of section 19(1ZA) of the Local Government (Financial Provisions) (Scotland) Act 1963(b), together with section 19(1ZB) or, as the case may be, section 19(1ZC) of that Act.

(2) Subject to paragraphs (3) and (4), the relief granted is that the rates payable in respect of a day in the relevant year are reduced by 33% of the daily gross rates payable in respect of the lands and heritages for that day.

(3) Where the entry in a roll in relation to lands and heritages is split or reorganised on or after 1 April 2023, the gross rates liability of each part of the lands and heritages which is the subject of an entry is reduced by 33%.

(4) Subject to paragraph (5), relief may only be granted under this regulation where an application is made in accordance with regulation 16.

(5) Where relief under regulation 15 of the 2023 Regulations has been granted in respect of the financial year 2023-2024, no application need be made in respect of the relevant year.

PART 6

General

Applications for relief

16.—(1) An application for relief under these Regulations must be signed by the ratepayer, or a person authorised to sign on behalf of the ratepayer.

(2) An application under paragraph (1) must be made to the local authority by—

(a) addressing it to the authority, and

(b) delivering or sending it to the authority’s office by post or electronic communication.

(3) For the purposes of this regulation—

(a) S.S.I. 2005/103. Article 3 was amended by S.S.I. 2010/37.

(b) 1963 c. 12. Subsections (1ZA), (1ZB) and (1ZC) were inserted into section 19 by section 5 of the Non-Domestic Rates (Scotland) Act 2020 (asp 9), with effect from 1 April 2023.

- (a) “person authorised to sign on behalf of the ratepayer” means, where the ratepayer is—
 - (i) a partnership, a partner of that partnership or any other person authorised by it,
 - (ii) a trust, a trustee of that trust or any other person authorised by it,
 - (iii) a body corporate, a director of that body, and
- (b) “sign” or “signed” in relation to an application made by electronic communication means an electronic signature, as defined in section 7(2) of the Electronic Communications Act 2000(a).

Amendment of the New and Improved Property Relief Regulations

17.—(1) The New and Improved Property Relief Regulations are amended in accordance with paragraphs (2) to (4).

(2) In regulation 10 (relief granted – lands and heritages in respect of which a relevant increase has been made within the previous 12 months)—

- (a) in paragraph (1), at the beginning, for “The” substitute “In relation to the financial year 2023-2024, the”,
- (b) in paragraph (4), at the beginning, for “2017” substitute “2023”,
- (c) in paragraph (5)(b)—
 - (i) in the formula—
 - (aa) for “2.247” substitute “X”,
 - (bb) for “365” substitute “366”, and
 - (ii) in the description of “BL, ARV and RV” for “BL, ARV and RV” substitute “BL, ARV, RV and X”.

(3) After regulation 10 insert—

“Relief granted – financial year 2024-2025 – lands and heritages in respect of which a relevant increase has been made within the previous 12 months

10A.—(1) In relation to the financial year 2024-2025 the relief granted is that the amount of non-domestic rates payable is to be reduced as set out in paragraph (4) or, as the case may be, paragraph (5).

(2) The amount of relief granted depends on—

- (a) whether regulation 7 of the 2024 Regulations applies (transitional relief in the amount of rates payable),
- (b) the total amount of any relevant increases made in respect of the lands and heritages taking effect on a day within the previous 12 months (“the reference amount”).

(3) No relief is granted unless an application is made in accordance with regulation 12.

(4) Where regulation 7 of the 2024 Regulations does not apply to the lands and heritages—

- (a) the amount of non-domestic rates payable is to be calculated on the rateable value minus the reference amount, but
- (b) if the rateable value minus the reference amount is a negative figure, then no relief is granted (and the amount of non-domestic rates payable is to be calculated on the rateable value).

(a) 2000 c. 7. Section 7(2) was amended by S.I. 2016/696.

(5) Where regulation 7 of the 2024 Regulations applies, the amount of non-domestic rates payable is the transitional limit calculated in accordance with regulation 9 of those Regulations, and for these purposes the transitional limit is to be calculated—

- (a) in respect of the lands and heritages for which the rateable value exceeds the sum of the rateable value on 1 April 2023 and the reference amount, in accordance with the formula—

$$\frac{((BL \times X) + ((ARV - RV) \times PF))}{365}$$

where—

ARV is the adjusted rateable value, found by subtracting the reference amount from the rateable value of the land and heritages,

BL is the base liability of the lands and heritages calculated in accordance with regulation 10 of the 2024 Regulations,

RV is the rateable value of the lands and heritages on 1 April 2023,

PF is the poundage figure of—

- (i) 0.559 where the lands and heritages have a rateable value exceeding £100,000,
(ii) 0.545 where the lands and heritages have a rateable value exceeding £51,000 but not exceeding £100,000,
(iii) 0.498 where the lands and heritages have a rateable value of £51,000 or less, and

X is—

- (i) 1.406 where at revaluation on 1 April 2023 the lands and heritages had a rateable value of £20,000 or less,
(ii) 1.875 where at revaluation on 1 April 2023 the lands and heritages had a rateable value between £20,001 and £100,000,
(iii) 2.406 where at revaluation on 1 April 2023 the lands and heritages had a rateable value of more than £100,000, or
(b) in any other case in accordance with the formula—

$$\frac{(BL \times X \times ARV)}{365 \times RV}$$

where—

BL, ARV, RV and X have the same meanings as in sub-paragraph (a).

(6) In this regulation, “the 2024 Regulations” means the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2024(a).”.

- (4) In regulation 16 (exclusion of relief in respect of parks) after “2023” insert—

“or regulation 15 of the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2024”.

(a) S.S.I. 2024/5.

Amendment of the Non-Domestic Rates (Restriction of Relief) (Scotland) Regulations 2023

18.—(1) The Non-Domestic Rates (Restriction of Relief) (Scotland) Regulations 2023^(a) are amended in accordance with paragraph (2).

(2) In regulation 3(2) (conditions on granting non-domestic rates relief)—

(a) at the end of sub-paragraph (h) omit “and”,

(b) at the end of sub-paragraph (i) insert—

“, and

(j) Regulation 15 of the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2024^(b)”.

Amendment of the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2023

19.—(1) The Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2023^(c) are amended in accordance with paragraph (2).

(2) In regulation 15 (relief for parks or parts of parks previously exempt from rating and becoming rateable on 1 April 2023) for “This” substitute “In relation to the relevant year, this”.

TOM ARTHUR

Authorised to sign by the Scottish Ministers

St Andrew’s House,
Edinburgh
9th January 2024

(a) S.S.I. 2023/38.

(b) S.S.I. 2024/5.

(c) S.S.I. 2023/31, which was amended by S.S.I. 2023/63.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision as to the amount payable in certain circumstances as non-domestic rates in Scotland. They apply to the financial year 2024-2025. The Regulations do not apply where a non-domestic property is shown in a merged, split or reorganised entry in the valuation roll which takes effect during the financial year 2024-2025.

Part 1 makes provision as to citation, commencement and interpretation.

Part 2 deals with amounts payable in respect of lands and heritages which were shown in the valuation roll as at 31 March 2023 and 1 April 2023. For every day of the financial year 2024-25 the notional rates liability for a non-domestic property (that is, the gross amount ordinarily payable as rates before any reliefs are applied, calculated in accordance with regulation 8) must be compared against that property's transitional limit. If the notional liability, calculated in accordance with regulation 8, is more than the transitional limit, the amount payable will be equal to the transitional limit. This is provided for by regulation 7. The transitional limit is calculated by multiplying the base liability of the lands and heritages, calculated under regulation 10, by whichever is the appropriate factor as provided for by regulation 9.

Part 3 deals with reductions, remissions and exemptions. Regulation 11 provides for reductions under other enactments to apply in cases where the amount of rates payable is determined under regulation 7 of these Regulations in the same way as they apply in cases where regulation 7 does not have effect.

Regulation 12 provides for calculation of rates liability in respect of lands and heritages which are partially unoccupied, and to which regulation 7 applies, where there is an apportionment between the rateable value of the parts of the lands and heritages which are occupied, and those which are unoccupied. In determining liability, the rateable value is taken to be the figure attributed only to the part of the property which is occupied.

In terms of regulation 13, nothing in the Regulations requires the payment of rates on property on a day on which it is entirely exempt from rates under any other enactment, or prejudices the power of a rating authority to grant discretionary reductions or remissions.

Part 4 (regulation 14) provides for a cap on increase in rates liability on certain lands and heritages in respect of which there was entitlement to small business bonus scheme relief under regulation 3 of the Non-Domestic Rates (Levy and Miscellaneous Amendment) (Scotland) Regulations 2022 or rural property relief under schedule 2 of the Local Government and Rating Act 1997, as at 31 March 2023. In relation to rural property relief, the cap applies only where entitlement to the relief was lost on 1 April 2023 as a result of an increase in rateable value taking it above whichever limit as set down by article 3(1) of the Non-Domestic Rating (Rural Areas and Rateable Value Limits) (Scotland) Order 2005 applies (in relation to mandatory relief) or article 3(2), in the case of discretionary relief. The cap can be relied upon as an alternative to reliance on regulation 7, where reliance on this Part provides a more favourable result in relation to entitlement to relief than application of the transitional limit calculated in accordance with regulation 9. Regulation 14(6) provides that where there is an entitlement to relief under both regulations 7 and 14, relief under regulation 14 is to be applied to the rates liability arrived at through applying regulation 7.

Part 5 (regulation 15) provides for relief for lands and heritages consisting of certain types of parks or parts of parks which became rateable on 1 April 2023 as a result of the taking effect of amendments to section 19 of the Local Government (Financial Provisions) (Scotland) Act 1963. The relief granted is 33% relief on the daily gross rates payable in respect of the lands and heritages for a day in the financial year 2024-2025. Where the entry in a valuation roll is split or reorganised on or after 1 April 2023, a 33% reduction is made on the gross rates liability on each part of the lands and heritages which is the subject of an entry in the valuation roll.

Part 6 deals with general matters. Regulation 16 provides the process for making an application for relief. An application is required for relief under regulations 14 and 15, unless relief under the equivalent provisions of the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations

2023 has been granted in respect of the financial year 2023-2024. In that case no application for relief is required for the financial year 2024-2025.

Regulation 17 amends regulation 10 of the Non-Domestic Rates (Relief for New and Improved Properties) (Scotland) Regulations 2022, to narrow its application so that it only applies to the financial year 2023-24, as well as making some changes to clarify the provision in relation to its application to transitional relief. It also inserts a new regulation 10A to deal with the financial year 2024-2025. Further, it expands regulation 16 to refer to the provision of the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2024 which provides relief for parks which became rateable on 1 April 2023 as a result of the taking effect of amendments to section 19 of the Local Government (Financial Provisions) (Scotland) Act 1963.

Regulation 18 amends the Non-Domestic Rates (Restriction of Relief) (Scotland) Regulations 2023 to add relief under regulation 15 of the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2024 to the list of reliefs which require to meet certain conditions if they are to be given as minimal financial assistance.

Regulation 19 amends regulation 15 of the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2023, on parks which became rateable on 1 April 2023, to restrict its application to the financial year 2023-24.

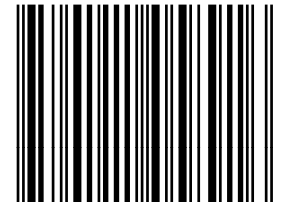
© Crown copyright 2024

Printed and published in the UK by The Stationery Office Limited under the authority and superintendence of Jeff James, the King's Printer for Scotland.

£8.14

<http://www.legislation.gov.uk/id/ssi/2024/5>

ISBN 978-0-11-105891-6



9 780111 058916