LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

AGENDA

10th Meeting, 2018 (Session 5)

Wednesday 21 March 2018

The Committee will meet at 9.15 am in the James Clerk Maxwell Room (CR4).

1. **Planning (Scotland) Bill**: The Committee will take evidence on the Bill at Stage 1 from—

   Kevin Stewart, Minister for Local Government and Housing, John McNairney, Chief Planner, Andy Kinnaird, Bill Manager, and Norman Macleod, Senior Principal Legal Officer, Scottish Government.

2. **Subordinate legislation**: The Committee will consider the following negative instruments—

   - The Non-Domestic Rate (Scotland) Order 2018 (SSI 2018/46);
   - The Non-Domestic Rates (Telecommunication Installations) (Scotland) Amendment Regulations 2018 (SSI 2018/63);
   - The Non-Domestic Rates (Renewable Energy Generation Relief) (Scotland) Amendment Regulations 2018 (SSI 2018/64);
   - The Non-Domestic Rates (Day Nursery Relief) (Scotland) Regulations 2018 (SSI 2018/65);
   - The Non-Domestic Rates (Levying) (Scotland) Regulations 2018 (SSI 2018/74);
   - The Non-Domestic Rates (New and Improved Properties) (Scotland) Regulations 2018 (SSI 2018/75);
   - The Non-Domestic Rates (Transitional Relief) Amendment (Scotland) Regulations 2018 (SSI 2018/76);
   - The Non-Domestic Rating (Unoccupied Property) (Scotland) Regulations 2018 (SSI 2018/77).
3. **Planning (Scotland) Bill (in private):** The Committee will consider the evidence heard earlier in the meeting.

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Clerk to the Local Government and Communities Committee  
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Edinburgh  
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The papers for this meeting are as follows—

**Agenda item 1**

Note by the Clerk LGC/S5/18/10/1
PRIVATE PAPER LGC/S5/18/10/2 (P)

**Agenda item 2**

Note by the Clerk LGC/S5/18/10/3

**Agenda item 3**

PRIVATE PAPER LGC/S5/18/10/4 (P)
Local Government and Communities Committee

10th Meeting 2018 (Session 5), Wednesday 21 March 2018

Planning (Scotland) Bill: Note by the Clerk

Purpose

1. This paper provides background information on Committee’s stage 1 scrutiny of the Planning (Scotland) Bill.

2. This Scottish Government Bill was introduced by the Cabinet Secretary for Communities, Social Security and Equalities, Angela Constance MSP, on 4 December 2017.

3. The Bill and its accompanying documents can be found online.

Background

4. The Committee launched a call for written evidence on Friday 15 December 2017 with a deadline of 2 February. The responses to the Committee’s call for written views have been published on the Committee’s webpage. A summary of the written views has also been published on the Committee’s webpage.

5. In addition the Committee members have undertaken community events in Skye, Stonehaven and Motherwell on 5 February 2018 and summary notes have been published on those discussions.

6. On 19 February 2018 members of the Committee has also visited Linlithgow to discuss local place plans with the Linlithgow Planning Forum and West Lothian Council Officials. A summary note has been published on this discussion.

7. An online survey was conducted principally seeking views from young people via the Scottish Youth Parliament and Youthlink. A summary of these views will be available in due course.

8. The Committee has also sought views on the Bill (from 20 February until 2 March) using Dialogue as well as hosting a conference in Stirling on 26 February with invited public and private sector representatives. Summaries of the discussions held at the conference are available on the Bill page on the Committee’s website.

9. A number of briefings have been published relevant to the Planning (Scotland) Bill by the Scottish Parliament’s Information Centre:

   Planning (Scotland) Bill: Proposed Infrastructure Levy
   The Planning (Scotland) Bill
10. On 16 February 2018 the Minister for Local Government and Housing wrote to the Committee on the Agent and Change principle confirming that the Scottish Government intends to “include explicit policy guidance in the next National Planning Framework and the SPP, implementing the Agent of Change principle”.

**Oral evidence taking**

11. At its meeting on 28 February 2018 the Committee took evidence from:

Panel 1:
Planning Democracy, Community Land Scotland, Development Trusts Association Scotland, PAS;

Panel 2:
Music Venues Trust, UK Music.

[Link to the Committee papers of 28 February](#)
[Link to the Official Report of 28 February](#)

12. At its meeting on 7 March 2018 the Committee took evidence from:

Panel 3:
Homes for Scotland, Scottish Renewables, Federation of Master Builders Scotland, Scottish Federation of Housing Associations, McCarthy and Stone;

Panel 4:
Royal Town Planning Institute Scotland, Malcolm Fraser, Professor Cliff Hague, Clydeplan.

[Link to Committee papers of 7 March](#)
[Link to Official Report of 7 March](#)

13. At its meeting on 14 March 2018 the Committee took evidence from:

Panel 5:
Built Environment Forum Scotland, National Trust for Scotland, Scottish Water, Scottish Environment Link;

Panel 6:

[Link to Committee papers of 14 March](#)
[Link to Official Report of 14 March](available by 6.00 pm on Friday 16 March)
14. The following supplementary written submissions from organisations who attended the meetings on 28 February 2018 and 7 March 2018 (and from those invited to attend on 28 February but could not due to travel difficulties caused by the weather) were received and are available at the following links:

Meeting of 28 February 2018

- Supplementary Written Submission from Mick Cooke
- Supplementary Written Submission from Community Land Scotland
- Supplementary Written Submission from DF Concerts
- Supplementary Written Submission from Planning Democracy
- Supplementary Written Submission from UK Music

Meeting of 7 March 2018

- Supplementary Written Submission from Professor Cliff Hague
- Supplementary Written Submission from McCarthy and Stone
- Supplementary Written Submission from Homes for Scotland

15. At its meeting on 21 March 2018 the Committee will conclude its evidence taking with evidence from the Minister for Local Government and Housing.

Next Steps

16. Following the evidence session with the Minister for Local Government and Housing on 21 March 2018, the Committee will consider the evidence heard. In late April the Committee will begin considering, in private, its Stage 1 report on the Planning (Scotland) Bill.
Overview of instrument

1. The following instruments, subject to negative procedure, are being considered at agenda item 2 at today’s meeting:

   - The Non-Domestic Rate (Scotland) Order 2018 (SSI 2018/46);
   - The Non-Domestic Rates (Telecommunication Installations) (Scotland) Amendment Regulations 2018 (SSI 2018/63);
   - The Non-Domestic Rates (Renewable Energy Generation Relief) (Scotland) Amendment Regulations 2018 (SSI 2018/64);
   - The Non-Domestic Rates (Day Nursery Relief) (Scotland) Regulations 2018 (SSI 2018/65);
   - The Non-Domestic Rates (Levying) (Scotland) Regulations 2018 (SSI 2018/74);
   - The Non-Domestic Rates (New and Improved Properties) (Scotland) Regulations 2018 (SSI 2018/75);
   - The Non-Domestic Rates (Transitional Relief) Amendment (Scotland) Regulations 2018 (SSI 2018/76);
   - The Non-Domestic Rating (Unoccupied Property) (Scotland) Regulations 2018 (SSI 2018/77).

Procedure

2. Negative instruments are instruments that are “subject to annulment” by resolution of the Parliament for a period of 40 days after they are laid. All negative instruments are considered by the Delegated Powers and Law Reform Committee (on various technical grounds) and by the relevant lead committee (on policy grounds). Under Rule 10.4, any member (whether or not a member of the lead committee) may, within the 40-day period, lodge a motion for consideration by the lead committee recommending annulment of the instrument. If the motion is agreed to, the Parliamentary Bureau must then lodge a motion to annul the instrument for consideration by the Parliament.

3. If that is also agreed to, Scottish Ministers must revoke the instrument. Each negative instrument appears on a committee agenda at the first opportunity after the Delegated Powers and Law Reform Committee has reported on it. This means that, if questions are asked or concerns raised, consideration of the instrument can usually be continued to a later meeting to allow correspondence to be entered into or a Minister or officials invited to give evidence. In other cases, the Committee may be content simply to note the instrument and agree to make no recommendation on it.
Background

The Non-Domestic Rate (Scotland) Order 2018

4. This Order prescribes a rate of 48 pence in the pound as the non-domestic rate to be levied throughout Scotland in respect of the financial year 2018-2019. A rate of 46.6 pence in the pound was prescribed by the Scottish Ministers as the non-domestic rate to be levied throughout Scotland for the financial year 2017-2018 (SSI 2017/8). The policy note for this instrument is attached at Annexe A.

5. An electronic copy of the instrument is available at:


6. No motion to annul this instrument has been lodged.

Delegated Powers and Law Reform Committee Consideration

7. The Delegated Powers and Law Reform (DPLR) Committee considered instrument SSI 2018/46 at its meeting on 20 February 2018 and determined it did not need to draw the attention of the Parliament on any grounds within its remit.

The Non-Domestic Rates (Telecommunication Installations) (Scotland) Amendment Regulations 2018

8. These Regulations amend the Non-Domestic Rates (Telecommunication Installations) (Scotland) Regulations 2016 (“the principal Regulations”).

9. These Regulations amend the meaning of a “Mobile Masts Pilot Area” in the principal Regulations to refer to a document with grid coordinates as well as three maps. The document, like the maps, is available for inspection at the Scottish Government Digital Directorate, Connectivity, Economy and Data Division, 5 Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU.

10. The document and maps are also available for inspection online at:


11. These Regulations also extend the date of operation of the relief in the principal Regulations to 31st March 2029. The policy note for this instrument is attached at Annexe B.

12. An electronic copy of the instrument is available at:


13. No motion to annul this instrument has been lodged.
The Non-Domestic Rates (Renewable Energy Generation Relief) (Scotland) Amendment Regulations 2018

14. These Regulations amend the Non-Domestic Rates (Renewable Energy Generation Relief) (Scotland) Regulations 2010 (“the principal Regulations”).

15. These Regulations abolish the relief for new-build renewables, set out in regulation 3B of the principal Regulations and substitute a relief of 60% for lands and heritages which are used solely for the generation of renewable heat or power (or both) from water. In accordance with the interpretation provision of renewable heat or power in the principal Regulations “water” includes waves and tides, but does not include production from the pumped storage of water. The policy note for this instrument is attached at Annexe C.

16. An electronic copy of the instrument is available at:


17. No motion to annul this instrument has been lodged.

The Non-Domestic Rates (Day Nursery Relief) (Scotland) Regulations 2018

18. These Regulations provide 100% relief from business rates in respect of lands and heritages if they are used as a day nursery and a new entry is made on the valuation roll on or after 1st April 2018. They apply for a period of three years from that date. An application must be made to obtain the relief and regulation 4 sets out how the application is to be made. The policy note for this instrument is attached at Annexe D.

19. An electronic copy of the instrument is available at:


20. No motion to annul this instrument has been lodged.

Delegated Powers and Law Reform Committee Consideration

21. The Delegated Powers and Law Reform (DPLR) Committee considered instruments SSI 2018/63, SSI 2018/64 and SSI 2018/65 at its meeting on 27 February 2018 and determined it did not need to draw the attention of the Parliament on any grounds within its remit.

The Non-Domestic Rates (Levying) (Scotland) Regulations 2018

22. These Regulations make provision for the amount payable in certain circumstances as non-domestic rates in respect of non-domestic subjects in Scotland. The non-domestic rate for subjects not covered by these Regulations is fixed by order made under the Local Government (Scotland) Act 1975. For the financial year 2018-2019, the rate is fixed by the Non-Domestic Rate
(Scotland) Order 2018 (S.S.I. 2018/46) The policy note for this instrument is attached at Annexe E.

23. An electronic copy of the instrument is available at:


24. No motion to annul this instrument has been lodged.

The Non-Domestic Rates (New and Improved Properties) (Scotland) Regulations 2018

25. These Regulations make provision for the amount payable in non-domestic rates in respect of certain lands and heritages. The policy note for this instrument is attached at Annexe F.

26. An electronic copy of the instrument is available at:


27. No motion to annul this instrument has been lodged.

The Non-Domestic Rates (Transitional Relief) Amendment (Scotland) Regulations 2018

28. These Regulations amend the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2017 for the purpose of reducing the amount payable as non-domestic rates for certain properties for 2018-19. The policy note for this instrument, attached at Annexe G, sets out that such properties include those with the specified purpose of use as a hotel, restaurant, pub with a rateable value no greater than £1.5 million and (in Aberdeen and Aberdeenshire only) offices.

29. An electronic copy of the instrument is available at:


30. No motion to annul this instrument has been lodged.

The Non-Domestic Rating (Unoccupied Property) (Scotland) Regulations 2018

31. The purpose of this instrument is twofold. First, it expands ‘Fresh Start’ relief for qualifying properties occupied from 1 April 2018 or thereafter, by widening the eligibility criteria and increasing the level of relief from 50% to 100%. All property uses will be eligible (except payday lending) and the minimum prior period of having received empty property relief will drop from 12 to 6 months. The upper rateable value threshold remains at £65,000 and the maximum period of relief remains at 12 months. Qualifying properties in receipt of 50% Fresh Start relief on 31 March 2018 can continue to receive it from 1 April 2018 for the remainder of their 12-month period.
32. Second, the instrument replaces another instrument which has been amended multiple times, The Non-Domestic Rates (Unoccupied Property) (Scotland) Regulations 1994. The reliefs for unoccupied and partly unoccupied properties remain substantively unchanged (broadly, unoccupied industrial property receives 100% relief for an initial 6-month period followed by 10% relief, while other property receives 50% relief for an initial 3-month period followed by 10% relief). ‘New Start’ relief is not extended to properties entering the valuation roll from 1 April 2018 or thereafter, as a wider relief will instead be provided by a separate instrument, The Non-Domestic Rates (New and Improved Properties) (Scotland) Regulations 2018, as part of the Government’s response to the Barclay review. New Start relief will however continue to be applicable until the end of 2019-20 for qualifying properties entered in the roll by 31 March 2018. The policy note for this instrument is attached at Annexe H.

33. An electronic copy of the instrument is available at:


34. No motion to annul this instrument has been lodged.

Delegated Powers and Law Reform Committee Consideration

35. The Delegated Powers and Law Reform (DPLR) Committee considered instruments SSI 2018/74, SSI 2018/75, SSI 2018/76 and SSI 2018/77 at its meeting on 6 March 2018 and determined it did not need to draw the attention of the Parliament on any grounds within its remit.

Committee Consideration

36. The Committee is not required to report on negative instruments, but should it wish to do so, the deadline for reporting on SSI 2018/46 is 28 March 2018, SSI 2018/63, SSI 2018/64 and SSI 2018/65 is 30 March 2018 and SSI 2018/74, SSI 2018/75, SSI 2018/76 and SSI 2018/77 is 19 April 2018.

37. The Committee is invited to consider the above instruments and whether it wishes to report on any issues to the Parliament in relation to them
POLICY NOTE

THE NON-DOMESTIC RATE (SCOTLAND) ORDER 2018

SSI 2018/46

The above instrument is made in exercise of the powers conferred on the Scottish Ministers by sections 7B(1) and 37(1) of the Local Government (Scotland) Act 1975 and by all other enabling powers. The instrument is subject to the negative procedure.

Purpose of the Instrument

The purpose of this instrument is to set business rate poundage in Scotland of 48.0 pence for 2018-19.

Background

This instrument will result in the poundage rate paid by Scottish businesses from 1 April 2018 being 48.0 pence.

UK Government has confirmed the 2018-19 business rate multiplier for England (equivalent to the Scottish standard poundage rate) at 48.0 pence.

Consultation

There is no statutory requirement to consult on these Regulations.

Business and Regulatory Impact Assessment

No Business and Regulatory Impact Assessment is required because the present instrument will not impose new regulatory burdens on businesses, charities or the voluntary sector compared with the Non-Domestic Rate (Scotland) Order 2017 which it replaces.

Financial Implications

This instrument has no additional financial effects on the Scottish Government, local government or business.

Local Government Division
February 2018
The above instrument is made in exercise of the powers conferred by section 153 of the Local Government etc. (Scotland) Act 1994. The instrument is subject to the negative resolution procedure.

Purpose

The purpose of these Regulations is to amend the Non-Domestic Rates (Telecommunication Installations) (Scotland) Regulations 2016 to provide for 100% non-domestic rates relief from 1 April 2018 up to 31 March 2029 for new mobile telecommunication masts located in three eligible pilot areas delineated in reference maps and at 17 specific locations determined by grid references. These amendments are being made to incentivise mobile operators to build masts and/or improve the viability of mobile operators’ business case to provide mobile services in those areas. It is anticipated that these Regulations will be updated annually to reflect any location changes to the previously published grid references, and to incorporate grid references of any additional eligible new mast locations.

Policy Objective

Achieving improved mobile coverage in Scotland is a key objective set out in the Scottish Government’s Mobile Action Plan\(^1\) (2016), and is referenced in the Scottish Government’s Digital Strategy refresh: Realising Scotland’s Full Potential in a Digital World (2017)\(^2\) and in the Scottish Government’s 2017-18 Programme for Government\(^3\). The non-domestic rates relief is part of the Scottish Government’s commitment to working in collaboration with the mobile industry to set the right conditions to incentivise infrastructure investment in non-commercial areas (so-called “notspots”). The Scottish Government’s expectation is that new mobile masts built in the eligible areas will provide 4G mobile services to notspots in (and potentially around) the eligible areas.

Consultation

There is no statutory obligation to consult on these Regulations.

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Business and Regulatory Impact Assessment

BRIA’s are prepared where proposals introduce additional burdens or costs on business or the third sector. As this SSI will reduce the rates burden on qualifying businesses, no BRIA is required.

Financial Effect

The decrease in the amount of non-domestic rates payable by businesses is in line with the policy objective as outlined above.

Local Government Division
February 2018
The above instrument is made in exercise of the powers conferred on the Scottish Ministers by section 153 of the Local Government etc. (Scotland) Act 1994 and all other enabling powers. The instrument is subject to negative procedure.

Purpose of the Instrument

The purpose of this instrument is twofold.

First, it ends the relief for new-build renewables from 1 April 2018. That relief would effectively have become superfluous as a separate, wider relief will become applicable from that date. This latter relief is related to the ‘growth accelerator’ measure recommended by the Barclay review of non-domestic rates, and will be provided by a different statutory instrument.

Second, this instrument provides from 1 April 2018 for a new 60% relief for hydro schemes each with rateable value no more than £5 million.

Background

These measures revise and improve our package of support for renewables in relation to non-domestic rates. In respect of hydro, the detail of this support is pending the outcome of a forthcoming review of plant & machinery rateability, as per our implementation plan in response to the Barclay review.

Policy objective

Renewable energy is one of Scotland’s most important industries, creating jobs and investment opportunities while delivering secure, low carbon and cost-effective energy. The Scottish Government is committed to reducing carbon emissions, and the development and promotion of renewable energy generation is one of a number of measures aimed at tackling this issue.

Decreasing the non-domestic rates payable on these properties should increase the attractiveness of renewables technologies as a means of energy generation. This should, in turn, promote greater energy generation in the sector and a reduction in carbon emissions.

Consultation

There is no statutory requirement to formally consult on these Regulations.
Business and Regulatory Impact Assessment

No Business and Regulatory Impact Assessment has been carried out.

Financial Implications

The decrease in the amount of non-domestic rates payable is in line with the policy objective as outlined above, and is subject to State aid *de minimis*.

Local Government & Analytical Services Division
February 2018
POLICY NOTE
THE NON-DOMESTIC RATES (DAY NURSERY RELIEF) (SCOTLAND)
REGULATIONS 2018
SSI 2018/65

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

Purpose

The purpose of these Regulations is to provide for 100% non-domestic rates relief from 1 April 2018 up to 31 March 2021 for properties wholly or mainly used as day nurseries (within the meaning of section 135 of the Education (Scotland) Act 1980) which also provide day care of children (as defined in paragraph 13 of schedule 12 of the Public Services Reform (Scotland) Act 2010).

Policy Objective

The external Barclay Review of business rates recommended in August 2017 that the Scottish Government should introduce a new relief for day nurseries to ensure the workforce is supported by convenient, affordable and accessible childcare. The Scottish Government accepted this recommendation. The relief will apply for a 3 year period after which its effectiveness will be evaluated.

Consultation

There is no statutory obligation to consult on these Regulations.

Business and Regulatory Impact Assessment

BRIAs are prepared where proposals introduce additional burdens or costs on business or the third sector. As this SSI will reduce the rates burden on qualifying businesses, no BRIA is required.

Financial Effect

The decrease in the amount of non-domestic rates payable by businesses is in line with the policy objective as outlined above.

Local Government Division
February 2018
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.

**Purpose of the Instrument**

The instrument makes provision from 1 April 2018, for reductions in non-domestic rates as a result of the Small Business Bonus Scheme (SBBS) and provides for a poundage supplement on larger business properties with a rateable value in excess of £51,000.

Additionally, Regulation 3 (b) is removed from Non-Domestic Rates (Day Nursery Relief) (Scotland) Regulations 2018.

**Background - Small Business Bonus Scheme**

The Scheme provides relief (bill discounts) to businesses with properties in Scotland where the cumulative rateable value is £18,000 or less on any day in the financial year 2018-19. Where the cumulative rateable value of a business’s properties falls between £18,000 and £35,000, the Scheme will offer 25% relief to individual properties with a rateable value of £18,000 or less.

The Scheme provides the following reliefs from 1 April 2018:

<table>
<thead>
<tr>
<th>Combined rateable value (RV) of all business properties in Scotland 2018-19</th>
<th>Relief percentage under SBBS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to £15,000</td>
<td>100%</td>
</tr>
<tr>
<td>£15,001 to £18,000</td>
<td>25%</td>
</tr>
<tr>
<td>£18,001 to £35,000</td>
<td>25% on each individual property with a rateable value not exceeding £18,000*</td>
</tr>
</tbody>
</table>

*This allows a business with 2 or more properties with a cumulative rateable value of under £35,000 to qualify for relief at 25% on individual properties with a RV up to £18,000.

In addition, payday lenders will continue to be unable to benefit from the Scheme.
**Large Business Supplement**

This supplement contributes a proportion of the cost of the Small Business Bonus Scheme. This instrument provides for a poundage supplement of 2.6p in the pound for all business properties with a rateable value exceeding £51,000 on any day in the financial year 2018-19.

**Consultation**

There is no statutory requirement to consult on these Regulations, however the changes were proposed as part of the draft Budget, which is a consultative process.

**Business and Regulatory Impact Assessment**

No Business and Regulatory Impact Assessment has been carried out.

**Financial Implications**

The Scottish Government reimburses local authorities for the cost of granting relief as part of the general revenue grant payment. The present instrument has no additional financial effects on the Scottish Government or local government.

Local Government Division
February 2018
ANNEXE F

POLICY NOTE

THE NON-DOMESTIC RATES (NEW AND IMPROVED PROPERTIES) (SCOTLAND) REGULATIONS 2018

SSI 2018/75

The above instrument is made in exercise of the powers conferred on the Scottish Ministers by section 153 of the Local Government etc. (Scotland) Act 1994 and all other enabling powers. The instrument is subject to negative procedure. It comes into force on 1 April 2018 and applies for the financial year 2018-19.

Purpose of the Instrument

The purpose of this instrument is twofold.

First, regulation 3 applies 100% rates relief for certain new-build properties. For 2018-19 this fulfils our policy for no rates increases in respect of new-builds until a year after first occupation (including any period prior to first occupation).

Second, regulations 4 and 5 ensure that no increase in rates is payable for a year in respect of certain property improvements.

In the latter case, where transitional relief also applies (under a separate instrument, the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2017), regulation 4 calculates the transitional limit, to avoid increases to it in respect of certain property improvements that would otherwise have applied.

Where transitional relief does not apply, regulation 4 calculates the amount payable as rates as if the rateable value were lower by a prescribed amount than that shown in the valuation roll – the prescribed amount being the total of rateable value increases in respect of the property improvements in question within the previous 12 months. In the scenario that this prescribed amount exceeds the rateable value, then the amount payable as rates is zero.

Regulation 5 provides additional relief to that in regulation 4 in the case where eligibility for certain other relief (with a rateable value threshold) is foregone due to rateable value increases made within the previous year in respect of the property improvements.

Regulation 6 requires an application to the local authority for relief under this instrument.

Background

These measures form part of our response to the Barclay review, and provide a greater investment and development incentive than the ‘growth accelerator’ recommended by Barclay. The measures are unique in the UK.
Separate legislation will be laid in due course to continue relief beyond 2018-19. From that time, the 100% relief for certain new-build properties (referred to in this instrument as ‘relevant new entry lands and heritages’) will be applicable until a point 12 months after first occupation related to any buildings forming part of the property. However this condition is not required for the initial year of this new policy, i.e. 2018-19, as the relief for such properties cannot end before the end of that year.

Policy objective

The Scottish Government is committed to fair and sustainable non-domestic rates, in line with Scotland being the best place in the UK to do business. These new measures will incentivise investment and development and thereby help enable growth.

Consultation

There is no statutory requirement to formally consult on these Regulations. The Barclay recommendations and Scottish Government response were each informed by wide engagement with business.

Business and Regulatory Impact Assessment

No Business and Regulatory Impact Assessment has been carried out.

Financial Implications

The net decrease in the amount of non-domestic rates payable is estimated by the Scottish Fiscal Commission at £1.4 million for exempting certain new-builds from rates until first occupied and £42 million for the ‘growth accelerator’, which is in line with the policy objective as outlined above. This relief is not subject to State aid \textit{de minimis}.

Local Government & Analytical Services Division
Scottish Government
February 2018
POLICY NOTE

THE NON-DOMESTIC RATES (TRANSITIONAL RELIEF) AMENDMENT (SCOTLAND) REGULATIONS 2018

SSI 2018/76

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

Purpose of the instrument

The purpose of this instrument is to reduce the amount payable as non-domestic rates for certain properties for 2018-19 by amending the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2017.

These are properties wholly or mainly used for specified purposes, that were so used on 31 March 2017 (or, if unoccupied on that date, were so used when last occupied), subject to certain other conditions. The specified purposes include use as a hotel, restaurant, pub \(^1\) with a rateable value no greater than £1.5 million and (in Aberdeen and Aberdeenshire only) offices.

Any increase in the ‘gross bill’ \(^2\) for a day in 2018-19 is to be no more than 12.5 per cent (real terms) \(^3\) of the gross bill for 31 March 2018, subject to adjustment in respect of any changes in rateable value taking effect after the date of revaluation, i.e. 1st April 2017).

Arrangements in Regulation 13 of Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2017 for former full relief properties do not continue beyond 31 March 2018. Relief for properties shown in split or reorganised entries no longer applies from 1st April 2018. Separate relief for hydropower generation is instead provided by The Non-Domestic Rates (Renewable Energy Generation Relief) (Scotland) Amendment Regulations 2018 from 1st April 2018.

Interaction of Transitional relief with the Growth Accelerator is dealt with in Regulation 4. (3) of The Non-Domestic Rates (New and Improved Properties) (Scotland) Regulations 2018. This calculates the transitional limit discounting against increases to it in respect of certain property improvements.

\(^1\) The full list is in the Schedule to the Regulations.

\(^2\) The gross bill for the purposes of this note is the rateable value on that day multiplied by a poundage factor; the poundage factor being the non-domestic rate for that year plus, where applicable, the large business supplement for that year.

\(^3\) Accounting for inflation at 2%.
Policy objective

The objective is to target continued targeted support in light of the 2017 revaluation.

Consultation

There is no statutory requirement to formally consult on these Regulations.

Business and Regulatory Impact Assessment

No Business and Regulatory Impact Assessment has been carried out.

Financial implications

The decrease in the amount of non-domestic rates payable is in line with the policy objective as outlined above, and is subject to State aid de minimis.

Local Government & Analytical Services Division

February 2018
POLICY NOTE

THE NON-DOMESTIC RATING (UNOCCUPIED PROPERTY) (SCOTLAND) REGULATIONS 2018

SSI 2018/77

The above instrument is made in exercise of the powers conferred by sections 24(2) and (3), 24A(4) and 24B(3) of the Local Government (Scotland) Act 1966 and all other enabling powers. The instrument is subject to negative procedure and comes into force on 1 April 2018.

Purpose of the instrument

The purpose of this instrument is twofold.

First, it expands ‘Fresh Start’ relief for qualifying properties occupied from 1 April 2018 or thereafter, by widening the eligibility criteria and increasing the level of relief from 50% to 100%. All property uses will be eligible (except payday lending) and the minimum prior period of having received empty property relief will drop from 12 to 6 months. The upper rateable value threshold remains at £65,000 and the maximum period of relief remains at 12 months. Qualifying properties in receipt of 50% Fresh Start relief on 31 March 2018 can continue to receive it from 1 April 2018 for the remainder of their 12-month period.

Second, the instrument replaces another instrument which has been amended multiple times, The Non-Domestic Rates (Unoccupied Property) (Scotland) Regulations 1994. The reliefs for unoccupied and partly unoccupied properties remain substantively unchanged (broadly, unoccupied industrial property receives 100% relief for an initial 6-month period followed by 10% relief, while other property receives 50% relief for an initial 3-month period followed by 10% relief). ‘New Start’ relief is not extended to properties entering the valuation roll from 1 April 2018 or thereafter, as a wider relief will instead be provided by a separate instrument, The Non-Domestic Rates (New and Improved Properties) (Scotland) Regulations 2018, as part of the Government’s response to the Barclay review. New Start relief will however continue to be applicable until the end of 2019-20 for qualifying properties entered in the roll by 31 March 2018.

Background

This measure forms part of our response to the Barclay review, and goes beyond the Barclay recommendation in question. The measure is unique in the UK.

Policy objective

The Scottish Government is committed to fair and sustainable non-domestic rates, in line with Scotland being the best place in the UK to do business. Expanding Fresh
Start relief in this way will increase the incentive to re-occupy empty property, thus supporting town centres and other areas.

Consultation

There is no statutory requirement to formally consult on these Regulations. The Barclay recommendation and Scottish Government response were each informed by wide engagement with ratepayers.

Business and Regulatory Impact Assessment

No Business and Regulatory Impact Assessment has been carried out.

Financial implications

The decrease in the amount of non-domestic rates payable in respect of expanding Fresh Start relief is estimated by the Scottish Fiscal Commission at around £2 million, which is in line with the policy objective as outlined above. This relief is not subject to State aid *de minimis*.

Local Government & Analytical Services Division
Scottish Government
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