LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

CALL FOR VIEWS ON THE NON-DOMESTIC RATES (SCOTLAND) BILL

SUBMISSION FROM NATIONAL TRUST FOR SCOTLAND

1. The Scottish Government’s overall programme of Non-Domestic Rates reform, and how the Bill fits into this.

We found the Barclay Review to be a comprehensive exercise, which considered a range developing of issues. The Review was set the challenge of boosting economic growth through making changes to the system of non-domestic rates, while bringing in the same level of income, i.e. any new reliefs would have to be recovered from existing reliefs or treatments.

Where the Barclay Review was weaker, was in assessing the potential impacts of changed or withdrawn reliefs. One example of this was the Barclay recommendation that charity relief be ended for council arm's-length external organisations (ALEOs), for independent schools, and for certain commercial use of property by universities. On consultation with stakeholders, the Scottish Government concluded that the existing culture and leisure trusts formed as ALEOs were too fragile to suffer the loss of this relief.

A further Barclay recommendation that is of concern to us is the recommendation to limit the relief on currently unused listed buildings to only two years. This recommendation does not form part of the proposed bill, and will be taken forward separately. However, we are concerned that the potential impact on the built environment and public amenity has not been assessed in making the recommendation.

2. How the Government has responded to the Barclay review, in particular on those recommendations it has rejected in full or part.

As above, we note that the Barclay Review did not fully assess the impact of the loss of reliefs on existing arrangements. The government has therefore depended on representations post-Review from stakeholders to try and better understand the recommendations. It would have been better for the Review have incorporated social and environmental impacts, alongside the economic, in developing its recommendations.

In relation to the specific recommendation on limiting the listed building relief to only two years, the Scottish Government has committed to giving local authorities flexibility in the application of this measure, which we welcome.

However, from consultations with conservation and regeneration colleagues, the generally held view is that it can take between 1 and 5 years to go from an idea for the re-use of a historic building to the completion of the project. For more difficult properties and settings, such as those under Community Area Regeneration Schemes, it can take up to 10 or 15 years to conclude projects.
We note that there was a similar proposal in the UK Parliament in June 2018\(^1\), when Andrew Jones MP asked:

*May we have a debate to explore how to use the business rate system to incentivise or even compel shop owners to bring long-term empty units, particularly listed buildings, back into use promptly? I recognise that that could include a change of use.*

This was rebuffed by the government, with the minister Andrea Leadsom MP commenting:

*Owners of empty shops normally pay rates when those shops have been vacant for three months, which provides a clear incentive for owners to bring those shops back into use quickly. However, in recognition of the particular challenges faced by owners of listed buildings, currently no rates are payable on empty listed buildings.*

Therefore, when this idea has been entertained in England, the judgement has been that it is not the appropriate approach for listed buildings.

**Specific proposals in the Bill**

**The Committee welcomes views on:**

8. Section 10, which removes eligibility to claim charitable relief from non-domestic rates from mainstream independent schools, and section 11 which gives the Scottish Ministers the power to issue guidance to local authorities on the appropriate way to use their powers to grant sports club relief.

In relation to Section 11 of the bill, Sections 93, 94 and 95 of the Policy Memorandum make it clear that this amendment is intended to be directed towards sports clubs. However, the proposed amendment appears to expand this provision to all possible land held for charitable recreation, e.g. forests, mountains or gardens.

If the intention is only to cover the sports club sector, then the amendment could be drawn more tightly, especially as amateur sports clubs are already specifically referenced in the 1962 Act, in Section 4 (2) (aa).

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\(^1\) [https://hansard.parliament.uk/Commons/2018-06-14/debates/F0CA7D6F-5033-4558-98BA-57117A8AD049/BusinessOfTheHouse](https://hansard.parliament.uk/Commons/2018-06-14/debates/F0CA7D6F-5033-4558-98BA-57117A8AD049/BusinessOfTheHouse)