

Local Government, Housing and Planning Committee
Tuesday 3 March 2026
9th Meeting, 2026 (Session 6)

Note by the Clerk: negative instruments

Overview

1. At this meeting, the Committee will consider the following Scottish Statutory Instruments (SSIs), which are subject to the negative procedure. The Committee is invited to consider the instruments and decide what, if any, recommendations to make.
2. Further information about each instrument is provided in the Annexes to this paper:
 - [Annexe A](#) – Non-Domestic Rates (Levying and Miscellaneous Amendment) (Scotland) Regulations 2026 (SSI 2026/68)
 - [Annexe B](#) – Non-Domestic Rates (Retail, Hospitality and Leisure Relief) (Scotland) Regulations 2026 (SSI 2026/69)
 - [Annexe C](#) – Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2026 (SSI 2026/70)
 - [Annexe D](#) – Council Tax (Dwellings and Part Residential Subjects) (Scotland) Amendment Regulations 2026 (SSI 2026/72)

Procedure

3. Under the negative procedure, an instrument is laid after it is made, and is subject to annulment by resolution of the Parliament for a period of 40 days beginning on the day it is laid.
4. Once laid, the instrument is referred to:
 - the Delegated Powers and Law Reform (DPLR) Committee, for scrutiny on various technical grounds, and
 - a lead committee, whose remit includes the subject-matter of the instrument, for scrutiny on policy grounds.
5. Any MSP may propose, by motion, that the lead committee recommend annulment of the instrument. If such a motion is lodged, it must be debated at a meeting of the Committee, and the Committee must then report to the Parliament (by the advisory deadline referred to above).
6. If there is no motion recommending annulment, the lead committee is not required to report on the instrument.

Committee consideration

7. So far, no motion recommending annulment of any instrument has been lodged.
8. Members are invited to consider each instrument and decide whether there are any points they wish to raise. If there are points to raise on an instrument, options include:
 - seeking further information from the Scottish Government (and/or other stakeholders) through correspondence, and/or
 - inviting the Minister (and/or other stakeholders) to attend the next meeting to give evidence on the instrument.
9. It would then be for the Committee, at its next meeting, to consider any additional information gathered and decide whether to make recommendations in relation to the instrument.
10. If members have no points to raise, the Committee should note the instrument (that is, agree that it has no recommendations to make).
11. However, should a motion recommending annulment of one of the instruments be lodged later in the 40-day period, it may be necessary for the Committee to consider the instrument again.

Clerks to the Committee
February 2026

Annexe A: The Non-Domestic Rates (Levy and Miscellaneous Amendment) (Scotland) Regulations 2026 (SSI 2026/68)

Laid under: Section 153 of the [Local Government etc. \(Scotland\) Act 1994](#)

Laid on: 12 February 2026

Procedure: Negative

Deadline for committee consideration: 16 March 2026 (Advisory deadline for any committee report to be published)

Deadline for Chamber consideration: 23 March 2026 (Statutory 40-day deadline for any decision whether to annul the instrument)

Commencement: 1 April 2026

Delegated Powers and Law Reform Committee consideration

The DPLR Committee considered the instrument on 24 February 2026 and [reported on it in its 21st Report, 2026](#). The DPLR Committee made no recommendations in relation to the instrument.

Purpose of the instrument

These Regulations make provision as regards the amount payable as non-domestic rates in certain circumstances in respect of certain non-domestic properties in Scotland. For the financial year 2026-2027, the non-domestic rate poundage is fixed by the Non-Domestic Rate (Scotland) Order 2026.

The Policy Note accompanying the instrument is included below. It includes a summary of consultation undertaken on the instrument and the anticipated financial effects. The following impact assessment has been carried out:

- [Child Rights and Wellbeing Impact Assessment \(CRWIA\)](#)

Evidence received

The Committee has received two written submissions regarding the provisions in the Regulations.

- [Scottish Land and Estates](#) (SLE)
- [British Association for Shooting and Conservation](#) (BASC)

Scottish Government Policy Note

The Non-Domestic Rates (Levy and Miscellaneous Amendment) (Scotland) Regulations 2026 SSI 2026/68

The above instrument was 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 procedure.

Summary Box

The Regulations provide for the following non-domestic rates policies:

- Provision in the financial year 2026-27 for reductions in non-domestic rates as a result of the Small Business Bonus Scheme and Fresh Start Relief.
- The two supplements which, added to the poundage, respectively provide the non-domestic rate applicable in 2026-27 to properties with a rateable value in excess of £51,000 and up to £100,000 (which are liable for the Intermediate Property Rate), and to properties with a rateable value in excess of £100,000 (which are liable for the Higher Property Rate).
- Provision in the financial years 2026-27 to 2035-36 for reductions in non-domestic rates as a result of the relief for electric vehicle charging points.

Policy Objectives

Poundage Supplements (Property Rates)

This instrument provides for a poundage supplement of 5.4p in the pound to apply to all non-domestic properties with a rateable value from £51,000 up to and including £100,000 (5.4p supplement + poundage at 48.1p = Intermediate Property Rate at 53.5p); and a poundage supplement of 6.7p in the pound to apply to all non-domestic properties with a rateable value exceeding £100,000 (6.7p supplement + poundage at 48.1 = Higher Property Rate at 54.8p) on any day in the financial year 2026-27. The poundage is set out annually in the Non-Domestic Rate (Scotland) Orders made under section 7B(1) of the Local Government (Scotland) Act 1975.

Small Business Bonus Scheme

This instrument provides for the Small Business Bonus Scheme in 2026-27. This scheme provides relief (bill discounts) to non-domestic properties where the cumulative rateable value – i.e. the rateable value of the total number of premises that a person (the ratepayer) is liable to pay rates for in Scotland, is £35,000 or less. The scheme offers 100% relief to eligible individual properties with a cumulative rateable value of £12,000 or less, regardless of whether the ratepayer is liable to pay non-domestic rates in respect of only one entry, or multiple entries, in the valuation roll.

For ratepayers liable to pay non-domestic rates in respect of only one entry in the valuation roll, relief for eligible properties tapers from 100% to 25% for individual properties with rateable values from £12,001 up to and including £15,000; and tapers from 25% to 0% for properties with rateable values from £15,001 up to £20,000.

Where a ratepayer is instead liable to pay rates for multiple entries in the valuation roll and where the cumulative rateable value is from £12,001 and up to and including £35,000, then relief of 25% is available on each individual eligible property with a

rateable value of £15,000 or less, and relief tapers from 25% to 0% for individual eligible properties with rateable values from £15,001 up to £20,000.

Table 1 shows the Small Business Bonus Scheme relief for eligible non-domestic properties where the ratepayer is liable for rates for only one entry in the valuation roll.

Table 1: Small Business Bonus Scheme relief where the ratepayer has only one property on the valuation roll

Rateable value range	Percentage of relief
£12,000 or less	100%
£12,001 to £15,000	Relief percentage = $100 - (75 \times (1 - \frac{(15000 - RV)}{3000}))$
£15,001 to £19,999	Relief percentage = $25 \times (\frac{(20000 - RV)}{5000})$

Table 2 shows the Small Business Bonus Scheme relief available for eligible non-domestic properties where the ratepayer is liable for non-domestic rates on multiple entries in the valuation roll.

Table 2: Small Business Bonus Scheme relief where the ratepayer has more than one property on the valuation roll

Cumulative rateable value range	Percentage of relief
£12,000 or less	100%
£12,001 to £35,000	25% on each individual property with a rateable value of £15,000 or less. For individual properties with rateable value £15,001 to £19,999, relief percentage = $25 \times (\frac{(20000 - RV)}{5000})$

No Small Business Bonus Scheme relief is available for individual properties where the cumulative rateable value that the ratepayer pays non-domestic rates for in Scotland is over £35,000.

The following properties are not eligible for Small Business Bonus Scheme relief:

- properties used wholly or mainly to accommodate advertisements;

- car parks;
- betting shops;
- properties used wholly or mainly for payday lending;
- properties which are used wholly or mainly for a purpose for which a short-term let licence is required, in accordance with article 4 of the Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022, but for which no such licence has been obtained;
- deer forests, except those on which—
 - shooting rights are exercised solely for the purposes of environmental management or for preventing damage to woodland or agricultural production, or a combination of those purposes, and
 - any deer shot are available for human consumption as venison, and
- deer forests on which shooting rights are not exercised in practice
- shootings, except:
 - shootings which are crofts, agricultural holdings or small landholdings,
 - shootings which are leased on a commercial basis to a person who, in accordance with the Rural Development (Scotland) Regulations 2015, is in receipt of support under the Scottish Rural Development Programme, on account of being a new entrant to farming,
 - shootings which are leased in accordance with the model lease for environmental purposes made available by the Scottish Ministers in terms of section 11 of the Land Reform (Scotland) Act 2025,
 - shootings on which—
 - shooting rights are exercised solely for the purposes of environmental management or for preventing damage to woodland or agricultural production, or a combination of those purposes, and
 - any deer shot are made available for human consumption as venison, and
 - shootings on which shooting rights are not exercised in practice;
- deer forests and shootings are included in the definition of lands and heritages set out in section 42 of the Lands Valuation (Scotland) Act 1854. They are the subject of entries in the valuation roll.

Unoccupied properties are not eligible for Small Business Bonus Scheme relief.

Fresh Start Relief

These regulations provide for Fresh Start relief for 2026-27.

Fresh Start relief was introduced on 1 April 2016 and initially offered 50% relief for up to 12 months upon re-occupation to shops, offices, restaurants, pubs and hotels with a rateable value up to and including £65,000, and that had been empty for over 12 months before becoming re-occupied. This has since been expanded as part of the Scottish Government's response to the independent Barclay Review of Non-Domestic Rates and from 2023-24 offers 12 months 100% relief to all properties (with the exception of payday lending) where the property became reoccupied after 6 months or more of being unoccupied and the rateable value does not exceed £100,000.

The regulations also ensure that relief continues to be available in full for properties that were awarded Fresh Start relief in respect of the 2025-26 financial year and where relief continues in 2026-27 for the period remaining on the relief award, regardless of the new rateable value of the property following revaluation or an exclusion from that property category from eligibility.

The categories of property which are not eligible for Small Business Bonus Scheme relief are also ineligible for Fresh Start relief.

Fresh Start relief is not available where the property is unoccupied.

An application requires to be made by the ratepayer to the council for Fresh Start relief. Where relief spans two financial years however, the regulations only require that an application be made in relation to the first financial year.

Business Growth Accelerator Relief

The regulations continue provision of Business Growth Accelerator relief. They also provide for continuation of improvement relief awarded in respect of 2025-26, where the period of relief continues into 2026-27. Improvement relief awarded in 2025-26 under regulation 10B of the Non-Domestic Rates (Relief for New and Improved Properties) (Scotland) Regulations 2022 and continuing into 2026-27 will be awarded at the same percentage of relief as applies at 31 March 2026, but on the basis of the rateable value following the revaluation taking effect on 1 April 2026.

Electric Vehicle Charging Point (EVCP) relief

The regulations provide, from 2026-27 to 2035-36, 100% relief from non-domestic rates for property which is wholly or mainly used for the provision of an electric vehicle charging point and an associated bay. The charging point must be intended for use by members of the general public, and the relief is not excluded in the event that the charging point is out of order for a temporary period. An application requires to be made by the ratepayer to the council for EVCP relief.

Restriction of Relief under subsidy control

The regulations also amend the Non-Domestic Rates (Restriction of Relief) (Scotland) Regulations 2023 to add Small Business Bonus Scheme relief, Retail, Hospitality and Leisure Relief and EVCP relief.

UN Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 Compatibility

In accordance with section 23(2) of the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 (the Act), the Scottish Ministers certify that, in their view, the Non-Domestic Rates (Levying And Miscellaneous Amendment) (Scotland) Regulations 2026 is compatible with the UNCRC requirements as defined by section 1(2) of the Act.

EU Alignment Consideration

This instrument is not relevant to the Scottish Government's policy to maintain alignment with the EU.

Consultation

There is no statutory requirement to consult on these regulations.

The policies provided for in this instrument were set out in the Scottish Budget 2026-27

- <https://www.gov.scot/publications/scottish-budget-2026-2027/>

Impact Assessments

The policies provided for in this instrument were set out in the Scottish Budget 2026-27, which was accompanied by a number of impact assessments.

A Child Rights and Wellbeing Impact Assessment has been carried out in relation to the Regulations.

Financial Effects

The impacts on the amount of non-domestic rates payable is in line with the policy objectives as outlined above.

The Scottish Fiscal Commission's Economic and Fiscal Forecast published on 13 January 2026 forecasts the non-domestic rates income to be raised, and the cost of reliefs, for 2026-27 where these are judged to be material.

- <https://fiscalcommission.scot/publications/scotlands-economic-and-fiscal-forecasts-january-2026/>

Scottish Government
Local Government and Housing Directorate
February 2026

Correspondence from Scottish Land and Estates, 18 February 2026

Dear Convenor,

I am writing on behalf of Scottish Land & Estates to request that the Local Government, Housing and Planning Committee suspend voting on an upcoming SSI on the withdrawal of the Small Business Bonus Scheme (SBBS) relief from most sporting rates liabilities, as announced in the Scottish Budget for 2026–27 to take evidence from rural businesses who would be impacted by these proposals.

Our immediate priority is to ensure that these proposals do not give rise to unintended consequences that run directly counter to the Government's wider objectives for food production, climate delivery, biodiversity restoration and rural economic resilience. We have attempted to engage constructively with the government to this end but have, as yet, not received any response.

Our primary concern is not with the policy itself, but with how it has been developed. There has been no consultation with the rural sector on the withdrawal of SBBS relief for sporting rates.

Recent experience elsewhere demonstrates the risks of proceeding in this way. In 2024, proposals for a family farm tax were brought forward by the UK Treasury without consulting the rural sector or the department responsible for it. Within a year, those proposals were abandoned, but not before causing significant damage to trust and confidence.

The central failure was, as you may know, highlighted by the House of Lords Economic Affairs Finance Bill Sub-Committee which flagged the key failures around a lack of consultation or understanding of how rural businesses operate in practice, and a failure to engage early with those likely to be affected.

That is why we would urge you, as convenor of the Local Government, Housing and Planning Committee, to ensure that the same mistake is not made here in Scotland by holding an evidence session to assess the impact of the Scottish Government's proposals and hear from rural businesses about the unintended consequences (outlined in Annex 1) of the removal of the Small Business Bonus Scheme relief on Sporting Rates before this proposal is implemented.

Please do let me know by reply if you would be happy to consider our request for an evidence session, supported by a wide group of rural stakeholders including the NFUS, BASC, ADMG and others.

Annexe

Over the course of the last month SLE has undertaken a survey of over 150 rural businesses across Scotland to assess how the proposed changes to Sporting Rates relief would impact them. The results have highlighted a consistent and troubling pattern of impacts arising from the current proposals. To illustrate these impacts, I have set out four case studies taken from examples provided in our survey:

In Orkney, a small owner-occupier livestock farmer pays contractors to control geese populations in order to protect grazing land from damage. They currently benefit from SBBS relief, but under the proposed changes would lose this support because geese are not classified as vermin. The imposition of a new sporting rates liability would remove their ability to fund goose control, leading to the degradation of grassland essential for livestock production, undermining both business viability and local food production.

In the Highlands, the owner of a medium-sized estate undertakes extensive deer management alongside renewable energy and agricultural activity. Occasional commercial stalking days help fund year-round deer control. The loss of SBBS relief would force a choice between expanding commercial shooting activity or reducing deer management by cutting staff, neither of which aligns with wider public policy objectives.

In the South East of Scotland, a small farm currently claims SBBS relief on sporting rates despite undertaking no shooting or wildlife control activity. They do not qualify for an exemption, would be required to pay rates for sporting rights they do not exercise, and are now considering whether they would need to introduce a mixed-quarry commercial shoot simply to meet their new tax liability.

In Aberdeenshire, a larger landholding managed for environmental and agricultural purposes operates occasional commercial shoots. The removal of SBBS relief is likely to force an expansion of sporting activity to subsidise rates payments, or a winding-down of less profitable environmental management work. Taken together, these examples demonstrate that the proposed exclusion from SBBS relief risks driving divestment from environmental land management, undermining food security, costing livelihoods and, contrary to what we understand to be the policy intention of these proposals, increasing commercial shooting activity as a means of cross-subsidy. These are outcomes that we do not believe the Government intends.

Briefing from the British Association for Shooting & Conservation, Sporting rates relief changes, 23 February 2026

Summary

- The Scottish Government has amended its approach to sporting rates relief in response to stakeholder concerns.
- Deer forests will now qualify for relief where venison from lawful deer management enters the human food chain, and smaller sporting properties carrying out deer management may qualify under a graded system based on rateable value.
- While this adjustment is welcome, BASC Scotland notes that many small shoots and small sporting businesses remain exposed to increased costs and uncertainty.
- Existing relief has not been fully reinstated for integrated land management and small shoots.

- BASC Scotland urges further revision to ensure that the public benefits delivered by shooting, employment, land management, biodiversity, and habitat improvement, are properly recognised in rates policy.

Background

- Family shoots, syndicate shoots, deer forests and sporting businesses are an established part of Scotland's rural economy and landscape management system. These typically combine commercial activity with land stewardship, employing gamekeepers, stalkers, guides and seasonal staff, while also supporting contractors and tourism-related businesses such as accommodation providers, caterers and local retailers.
- The Small Business Bonus Scheme has historically helped these remain viable, particularly in remote and marginal areas where income is highly seasonal and operational costs are fixed. Rates relief has enabled businesses to invest in long-term land management rather than focusing solely on short-term revenue.

Budget Change for 2026–27

- From 1 April 2026, sporting rates relief will be restricted to land used solely for deer management, environmental management and vermin control.
- Deer forests are now eligible for sporting rates relief if venison enters the human food chain.
- Smaller sporting properties carrying out deer management may qualify for relief via a graded system based on rateable value.
- Full relief has not been restored for mixed-use or integrated estates that combine shooting, conservation, and tourism activities, leaving many businesses exposed to higher non-domestic rates.
- While transitional relief will phase in the impact over three years, BASC Scotland considers this a temporary mitigation that does not address the underlying structural change to eligibility.

Economic and Employment Impacts

- Shooting and stalking activities contribute an estimated £780 million annually to Scotland's economy, supporting thousands of direct and indirect jobs.
- Recent survey data from BASC members indicates:
 - 75% of respondents currently receive Small Business Bonus Scheme relief on sporting rates
 - 92% fall below the £12,000 rateable value threshold for 100% relief
 - Each shoot/sporting business employs or involves an average of six people in shooting, stalking and land management activities

- The vast majority of those affected do not gain any commercial interest from exercising their sporting rights.
- In small rural communities, the loss of even a small number of jobs can have disproportionate economic and social effects, including reduced population retention, fewer services and declining local supply chains.

Environmental and Land Management Impacts

- Activities exercising sporting rights provide a range of environmental public goods, often funded privately rather than through public subsidy. These include:
 - Deer population management to reduce agricultural, forestry and road safety impacts
 - Predator control to protect vulnerable species such as ground-nesting birds
 - Habitat/woodland management and creation
- Rates relief has provided financial headroom that enables these long-term investments. BASC Scotland is concerned that removing relief will reduce private expenditure on land management, potentially increasing pressure on public funds or leading to reduced environmental outcomes.

Operational Reality of Integrated Land Use

- BASC Scotland emphasises that the requirement for land to be used “solely” for one purpose does not reflect real-world rural land management.
- Most estates integrate sporting, conservation and commercial activities. Income from shooting often cross-subsidises deer management and environmental work, particularly where these activities are not commercially profitable in their own right.
- The current policy risks penalising precisely the integrated land management model that Scottish Government policy elsewhere seeks to encourage.

Stakeholder Engagement and Policy Process

- BASC Scotland notes that the removal of sporting rates relief, in the first instance, was included in detailed budget documentation without significant public consultation or a published impact assessment.
- We welcome the Scottish Government’s latest SSI which ensures those who harvest venison for the human consumption will be eligible for relief, however it does not go far enough.
- Given the potential economic, social and environmental implications, BASC Scotland believes that fuller stakeholder engagement, including with land managers, conservation bodies, rural communities and local authorities, would have supported a more evidence-based and proportionate policy outcome.

BASC Scotland Position and Recommendations

BASC Scotland recommends that the Scottish Government:

- Fully reinstate sporting rates relief for integrated land management enterprises. Recognise that mixed-use land management is standard practice and that relief should reflect this operational reality.
- Undertake and publish a full impact assessment. Assess economic, employment, environmental and fiscal impacts, including potential cost transfer to public bodies for land management outcomes currently delivered privately.

Conclusion

- BASC Scotland considers the removal of sporting rates relief to be a policy change with limited fiscal benefit but potentially significant unintended consequences for rural Scotland.
- By restoring relief or revising eligibility criteria, the Scottish Government can support rural employment, maintain private investment in land management and biodiversity.
- BASC Scotland stands ready to engage constructively with MSPs and ministers to develop practical solutions.

Annexe B: The Non-Domestic Rates (Retail, Hospitality and Leisure Relief) (Scotland) Regulations 2026 (SSI 2026/69)

Laid under: Section 153 of the [Local Government etc. \(Scotland\) Act 1994](#)

Laid on: 12 February 2026

Procedure: Negative

Deadline for committee consideration: 16 March 2026 (Advisory deadline for any committee report to be published)

Deadline for Chamber consideration: 23 March 2026 (Statutory 40-day deadline for any decision whether to annul the instrument)

Commencement: 1 April 2026

Delegated Powers and Law Reform Committee consideration

The DPLR Committee considered the instrument on 24 February 2026 and [reported on it in its 21st Report, 2026](#). The DPLR Committee made no recommendations in relation to the instrument.

Purpose of the instrument

These Regulations make provision for relief from liability to pay non-domestic rates for lands and heritages used for certain purposes, for the financial year 2026-2027.

The Policy Note accompanying the instrument is included below. It includes a summary of consultation undertaken on the instrument and the anticipated financial effects. The following impact assessments have been carried out:

- [Child Rights and Wellbeing Impact Assessment \(CRWIA\)](#)

Scottish Government Policy Note

The Non-Domestic Rates (Retail, Hospitality and Leisure Relief) (Scotland) Regulations 2026 (SSI 2026/69)

The above instrument was 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 procedure.

Summary Box

These Regulations provide for temporary non-domestic rates relief for the 2026-27 financial year only, for eligible properties used, capped at a maximum of £110,000 per ratepayer:

- a 15% non-domestic rates relief for properties used for specified retail, hospitality or leisure purposes and with a rateable value up to and including £100,000 on the mainland (except Remote Areas); and
- a 100% non-domestic rates relief for eligible properties used for specified retail, hospitality or leisure purposes, on the Islands and Remote Areas.

Policy Objectives

Mainland (except Remote Areas) Retail, Hospitality and Leisure (RHL) Relief (regulation 4)

The regulations provide for a temporary 15% relief (i.e. a reduction of 15% in the gross rates payable in respect of any day during the period beginning on 1 April 2026 and ending on 31 March 2027) to eligible properties with a rateable value up to and including £100,000 (those liable for the Basic or Intermediate Property Rate), used for specified retail, hospitality or leisure (RHL) purposes, up to a potential maximum value of £110,000 per ratepayer. The relief reduces by 15% the gross rates payable for eligible properties in respect of any day in 2026-27.

Mainland (except Remote Areas) RHL relief cannot reduce the rates payable to an amount less than nil.

The relief is not available on a property that is in receipt of Islands and Remote Areas RHL Relief.

Islands and Remote Areas Retail, Hospitality and Leisure (RHL) Relief (regulation 5)

This instrument also provides for a reduction to nil of the rates payable in respect of a property, i.e. a temporary 100% relief in respect of any day in 2026-27 to eligible properties used for specified retail, hospitality and leisure purposes on Islands and specified Remote Areas, up to a potential maximum value of £110,000 per ratepayer.

Islands are defined as naturally formed areas of land in Scotland which are surrounded on all sides by the sea (ignoring artificial structures such as bridges), and above water at high tide. The specified remote areas are prescribed locations within Cape Wrath, Knoydart and Scoraig in recognition of the unique circumstances of these areas which are not connected to a main road network and are only accessible by boat or on foot.

Where a ratepayer has lands and heritages eligible for relief under regulation 4 and other lands and heritages eligible for relief under regulation 5, the total maximum amount by which the rates liability of the ratepayer may be reduced, applying both regulations, is £110,000.

Within Schedule 1, use for the purposes of defining retail, hospitality and leisure is considered to include use wholly or mainly for the following purposes: bed and breakfast accommodation, camping site, caravan or caravan site, chalet, holiday hut, bothy, guest house, hotel, hostel, public house, restaurant (which would include a café, coffee shop, bistro, fast food restaurant or snack bar), self-catering holiday accommodation, timeshare accommodation, market, retail shop (which would include a charity shop), funeral parlour, travel agency, use to provide hair and beauty

services (for example a hairdressing salon, nail bar, beauty salon or tanning shop), shoe repair, key cutting, photo processing, laundry service, car or tool hire, car washing or repair of domestic/electrical goods; use as a massage parlour, health spa, art gallery or centre, bingo hall, sports club, sports centre, sports ground, clubhouse, gymnasium, museum, cinema, theatre, music venue, ticket office, recreational ground, recreational centre, park, bingo hall, tourist attraction or tourist facility, soft play centre, amusement arcade or amusement centre.

The Schedule does not include amongst others use for: financial services (e.g. a bank, building society, cash point, bureau de change, payday lender, betting shop, pawn broker), other services (e.g. an estate agent, letting agent or employment agency), medical services (e.g. a vet, dentist, doctor, osteopath or chiropractor), professional services (e.g. a solicitor, accountant, insurance agent/ financial adviser, tutor), post office sorting office, casino, gambling club or betting shop.

The award of this relief must be compatible with the Subsidy Control Act 2022.

An application requires to be made by the ratepayer to the council for this relief.

This relief is not available for properties which are used wholly or mainly for a purpose for which a short-term let licence is required, in accordance with article 4 of the Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022, but for which no such licence has been obtained.

UN Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 Compatibility

In accordance with section 23(2) of the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 (the Act), the Scottish Ministers certify that, in their view, the Non-Domestic Rates (Retail, Hospitality and Leisure Relief) (Scotland) Regulations 2026 are compatible with the UNCRC requirements as defined by section 1(2) of the Act.

EU Alignment Consideration

This instrument is not relevant to the Scottish Government's policy to maintain alignment with the EU.

Consultation

There is no statutory requirement to consult on these regulations.

The reliefs provided for in this instrument were set out in the Scottish Budget 2026-27. The Scottish Budget committed to these reliefs for the three financial years 2026-27 to 2028-29.

- <https://www.gov.scot/budget>

Impact Assessments

An [Island Communities impact assessment](#) has been carried out in relation to the 100% non-domestic rates relief for eligible properties used for specified retail, hospitality or leisure purposes, on the Islands and Remote Areas provided for in the

Regulations. The assessment has identified that this relief is unlikely to have significantly negative impacts for island communities, businesses or local authorities, and is appropriately targeted to benefit retail, hospitality and leisure businesses – key sectors of island business and key sources of employment that have been particularly affected by their reliance on ferries.

A Child Rights and Wellbeing Impact Assessment has been carried out in relation to the Regulations.

Financial Effects

The decrease in the amount of non-domestic rates payable as a result of the reliefs is in line with the policy objectives outlined above.

The Scottish Fiscal Commission's Economic and Fiscal Forecast published on 13 January 2026 includes a cost estimate for 2026-27 of £36 million for the 15% mainland retail, hospitality and leisure relief and £8 million for the 100% retail, hospitality and leisure relief on islands and Remote areas.

- <https://fiscalcommission.scot/publications/scotlands-economic-and-fiscal-forecasts-january-2026/>

Scottish Government
Local Government and Housing Directorate
February 2026

Annexe C: The Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2026 (SSI 2026/70)

Laid under: Section 153 of the [Local Government etc. \(Scotland\) Act 1994](#) and section 14 of the [Non-Domestic Rates \(Scotland\) Act 2020](#)

Laid on: 12 February 2026

Procedure: Negative

Deadline for committee consideration: 16 March 2026 (Advisory deadline for any committee report to be published)

Deadline for Chamber consideration: 23 March 2026 (Statutory 40-day deadline for any decision whether to annul the instrument)

Commencement: 1 April 2026

Delegated Powers and Law Reform Committee consideration

The DPLR Committee considered the instrument on 24 February 2026 and [reported on it in its 21st Report, 2026](#). The DPLR Committee made no recommendations in relation to the instrument.

Purpose of the instrument

These Regulations make provision as to the amount payable in certain circumstances as non-domestic rates in Scotland. They apply to the financial year 2026-2027. 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 2026-2027.

The Policy Note accompanying the instrument is included below. It includes a summary of consultation undertaken on the instrument and the anticipated financial effects. The following impact assessments have been carried out:

- [Child Rights and Wellbeing Impact Assessment \(CRWIA\)](#)

Scottish Government Policy Note

The Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2026 (SSI 2026/70)

The above instrument was made in exercise of the powers conferred by section 153 of the Local Government etc. (Scotland) Act 1994 and section 14 of the Non-Domestic Rates (Scotland) Act 2020. The instrument is subject to the negative procedure.

Summary Box

These regulations make provision to cap the amount payable as non-domestic rates for properties in 2026-27 in certain circumstances.

Policy Objectives

These regulations provide for the two transitional relief schemes available in 2026-27 which are set out below.

The Scottish Budget 2026-27 was published on 13 January 2026 and announced both of these reliefs.

- <https://www.gov.scot/publications/scottish-budget-2026-2027>

Revaluation Transitional Relief

A Revaluation Transitional Relief is available for all property types and caps increases in 'gross bills'¹ for any day in 2026-27, relative to 31 March 2026 at a specified percentage increase. The cap that applies depends on the rateable value of the property on 1 April 2026.

Under regulation 6, in order to be eligible for this relief, the property requires to have been shown in an entry on the valuation roll on both 31 March 2026 and 1 April 2026. Properties with a nil rateable value on 1 April 2026, or which had a nil rateable value on 31 March 2026, are not eligible. Equally, eligibility ceases if there is a merger, split or reorganisation of the valuation roll entry for the property occurring on a day after 1 April 2026, from the day the merger, split or reorganisation takes effect.

Subject to the above, the Revaluation Transitional Relief provides that any increase in the gross bill in 2026-27 is to be no more than the following percentage of the annual gross bill for 2025-26 (based on 31 March 2026), subject to adjustment in respect of any changes in rateable value taking effect after the date of revaluation, i.e. 1 April 2026:

- 15% for properties with a rateable value at revaluation on 1 April 2026 up to and including £20,000
- 30% for properties with a rateable value at revaluation on 1 April 2026 from £20,001 and up to and including £100,000
- 50% for properties with a rateable value at revaluation on 1 April 2026 in excess of £100,000.

Regulation 7 of the regulations specifies that where a property's notional liability on a day is more than the transitional limit calculated in accordance with regulation 9, the amount of rates payable is equal to that transitional limit (subject to Part 3).

Regulation 8 sets out the calculation for the notional liability on any day in the relevant year – this is the gross bill (i.e. before any reliefs are applied). The non-

¹ 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 property rate for that year – the Basic Property Rate, Intermediate Property Rate or Higher Property Rate, as the case may be.

domestic rate (Basic, Intermediate or Higher Property Rate) to be applied in calculating the notional liability depends on the rateable value on the day under consideration.

Regulation 9 sets out the formula which should be used to calculate the transitional limit. The transitional limit is calculated by multiplying the 'base liability' by the relevant factor (which depends on the rateable value of the property). Any increase in rateable value after revaluation is not subject to the cap, and any decrease in rates caused by a decrease in rateable value after revaluation should also be taken into account proportionately.

The 'base liability' is defined in regulation 10 and corresponds, if there has not been a split or reorganised entry on 1 April 2026, to the amount which would have been payable as rates in respect of those lands and heritages for the year ending 31 March 2026, had that amount been calculated on the basis of the rateable value of the lands and heritages on 31 March 2026, including any additional amounts of rates payable (Basic, Intermediate or Higher Property Rate as the case may be), but before applying any reliefs.

If the property is shown in a split or reorganised entry taking effect on 1 April 2026, a reduction is applied to the gross bill and then uplifted by the relevant factor to calculate the transitional limit. The reduction is:

- 1.2 for properties with a rateable value on the day of up to £20,000
- 1.25 for properties with a rateable value on the day from £20,001 and up to and including £100,000
- 1.4 for properties with a rateable value on the day over £100,000

The above measures interact with reductions to the amounts payable under other reliefs such as Charity relief. Regulation 11 in Part 3 provides for such reductions to apply to the transitional limit if that is the amount of rates payable under regulation 7.

Regulation 12 sets out the calculation for the amount payable for partially unoccupied properties where regulation 7 applies. This is the amount determined under regulation 7, multiplied by the rateable value treated for rating purposes as the rateable value of the property (namely the apportioned amount) divided by the total rateable value of the property.

Regulation 13 specifies that nothing in these regulations requires rates to be paid if the property is exempt from rates under any other legislation, and that councils may still choose to offer local relief to any property receiving a reduction under these regulations.

Small Business Transitional Relief

Relief under regulation 14 reduces the net bill increase in 2026-27 to 25% of what it otherwise would have been, after any other relief has been applied, including the Revaluation Transitional Relief if applicable, for properties in respect of which the ratepayer is:

- entitled to Small Business Bonus Scheme (SBBS) Relief;

- entitled to mandatory or discretionary Rural Relief on 31 March 2026 and no longer
- entitled on 1 April 2023 due to their rateable value increasing at the 2023 revaluation beyond the qualifying threshold(s) set out in the Non-Domestic Rating (Rural Areas and Rateable Value Limits) (Scotland) Order 2005, as amended;
- entitled to hospitality relief on 31 March 2026; and/or
- entitled to Small Business Transitional Relief on 31 March 2026.

Regulation 14 applies only in so far as the ratepayer who was entitled to relief on 31 March 2026 in respect of particular lands and heritages continues to be liable to pay rates in respect of those lands and heritages. Further, relief under regulation 14 does not apply where lands and heritages are used wholly or mainly for a purpose for which a short-term let licence order is required in terms of article 4 of the Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets Order) 2022, but for which no such licence has been obtained.

Under regulation 6, in order to be eligible for this relief, the property requires to have been shown in an entry on the valuation roll on both 31 March 2026 and 1 April 2026. Properties with a nil rateable value on 1 April 2026, or which had a nil rateable value on 31 March 2026 are not eligible. Equally, eligibility ceases if there is a merger, split or reorganisation of the valuation roll entry for the property occurring on a day after 1 April 2026, from the day the merger, split or reorganisation takes effect.

Any increases in rateable value after revaluation are not subject to the cap, and any decrease in rates caused by a decrease in rateable value after revaluation would also be taken into proportionate account.

Applications for Relief

An application is not required for the Revaluation Transitional Relief, this should therefore be automatically applied on gross bills by local authorities. Regulation 15 requires that an application be made for the Small Business Transitional Relief.

Changes to Business Growth Accelerator Relief

Regulation 16 amends the Non-Domestic Rates (Relief for New and Improved Properties) (Scotland) Regulations 2022 to specify the formula for the calculation of the transitional limit and base liability for properties that are in receipt of both the Revaluation Transitional Relief and Business Growth Accelerator relief on a day.

UN Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 Compatibility

In accordance with section 23(2) of the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 (the Act), the Scottish Ministers certify that, in their view, the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2026 is compatible with the UNCRC requirements as defined by section 1(2) of the Act.

EU Alignment Consideration

This instrument is not relevant to the Scottish Government's policy to maintain alignment with the EU.

Consultation

Scottish Ministers have consulted such persons as they consider appropriate in the design of these regulations, namely local authorities and members of the Institute of Revenues, Rating and Valuation. Small clarifications were made in the regulations in respect of the requirements for applications for relief in response to their comments.

Impact Assessments

A Child Rights and Wellbeing Impact Assessment has been carried out in relation to the Regulations.

Financial Effects

The decrease in the amount of non-domestic rates payable as a result of the reliefs is in line with the policy objectives outlined above.

The Scottish Fiscal Commission's 'Scotland's Economic and Fiscal Forecasts' published on 13 January 2026 forecast that the Revaluation Transitional Relief and Small Business Transitional Relief will reduce non-domestic rates income by £109 million cumulatively in 2026-27.

- <https://fiscalcommission.scot/publications/scotlands-economic-and-fiscal-forecasts-january-2026/>

Scottish Government
Local Government and Housing Directorate
February 2026

Annexe D: The Council Tax (Dwellings and Part Residential Subjects) (Scotland) Amendment Regulations 2026 (SSI 2026/72)

Laid under: Sections 72(4), 73(5) and 113(1) and (2) of the [Local Government Finance Act 1992](#)

Laid on: 12 February 2026

Procedure: Negative

Deadline for committee consideration: 16 March 2026 (Advisory deadline for any committee report to be published)

Deadline for Chamber consideration: 23 March 2026 (Statutory 40-day deadline for any decision whether to annul the instrument)

Commencement: 1 April 2026

Delegated Powers and Law Reform Committee consideration

The DPLR Committee considered the instrument on 24 February 2026 and [reported on it in its 21st Report, 2026](#). The Committee drew this instrument to the attention of the Parliament for a minor drafting error.

In regulation 2(2), in substituted regulation 5A(5)(b), the reference to “paragraphs (4) or (5)” should be a reference to “paragraphs (3) or (4)”.

In [correspondence with the DPLR Committee](#), the Scottish Government confirmed that it proposes to address the error as soon as possible, and in any event by 1 April 2026. This will be done either by correction slip, or, should this not be permissible, by an amending provision in a forthcoming SSI.

Clerks understand that using a correction slip has been approved, and as such the changes should be made in this way.

The DPLR Committee welcomed that the Scottish Government intends to correct the error.

Purpose of the instrument

To be classed as self-catering holiday accommodation liable for non-domestic rates, a property must be available to let 140 nights of the year, and let for at least 70. Assessors can request evidence to determine whether these requirements are met.

The Council Tax (Dwellings and Part Residential Subjects) (Scotland) Regulations 1992 (“the 1992 Regulations”), as amended, set out a deadline for providing evidence in response to an information request from assessors.

These Regulations substitute a new regulation 5A to the 1992 Regulations in order to:

- allow owners to submit evidence of letting or intention to let regardless of whether it has been requested by assessors.
- clarify that evidence relating to a particular year must be submitted within 56 days of the end of the financial year to which it relates (27 May). However, if a request for evidence is made by assessors after the end of the financial year to which it relates, evidence must be provided within 56 days of the request being made

The Regulations also amend the 1992 Regulations, enabling evidence in relation to the financial year 2024-25, to be sent to the assessor at any time from 1 April 2026 and before 1 May 2026. During the same period, a request can be made to the assessor to consider evidence they already hold for that year. The assessor may request further information where the evidence is not considered sufficient.

The Policy Note accompanying the instrument is included below. It includes a summary of consultation undertaken on the instrument and the anticipated financial effects. The following impact assessments have been carried out:

- Business and Regulatory Impact Assessment (BRIA)
- [Child Rights and Wellbeing Impact Assessment \(CRWIA\)](#)

All accompanying documents will be available via the following link:

<https://www.legislation.gov.uk/ssi/2026/72/resources>

Scottish Government Policy Note

The Council Tax (Dwellings and Part Residential Subjects) (Scotland) Amendment Regulations 2026 SSI 2026/72

The above instrument is made in exercise of the powers conferred by sections 72(4), 73(5) and 113(1) and (2) of the Local Government Finance Act 1992 and all other powers enabling them to do so. The instrument is subject to the negative procedure.

These regulations make amendments to the Council Tax (Dwellings and Part Residential Subjects) (Scotland) Regulations 1992 (“the 1992 Regulations”).

They substitute a new regulation 5A into the 1992 Regulations. This provides an opportunity for submission of evidence by a relevant person (the owner, tenant or subtenant of lands and heritages), regardless of whether a request for evidence has been made by an assessor. It requires that from 1 April 2026 evidence of letting or intention to let a property as self-catering holiday accommodation be sent to the assessor before 27 May in the financial year immediately following the financial year to which the evidence relates, unless that evidence is requested by the assessor and the request is made after the end of the financial year to which it relates, in which case it must be sent within 56 days beginning with the day on which the request is made.

The regulations also amend the Council Tax (Dwellings and Part Residential Subjects) (Scotland) Regulations 1992. They enable evidence of letting or intention to let a property as self-catering holiday accommodation, in relation to the financial year 2024-25, to be sent to the assessor at any time from 1 April 2026 and before 1 May 2026; or during the same period, for a request to be made to the assessor to consider evidence the assessor already may hold for that year.

The regulations require the assessor to consider whether the evidence is sufficient to confirm that the property can be classed as self-catering holiday accommodation and entered on the valuation roll (making it liable for non-domestic rates). The assessor may request further information where the evidence is not considered sufficient.

Policy Objectives

The intention of these regulations is to provide a deadline by which evidence of letting or intention to let a property as self-catering holiday accommodation can be provided to the assessor (27 May of the financial year following the financial year to which the evidence relates), whether or not the assessor has requested the information, unless the Assessor requests evidence after the end of the financial year to which the request relates, in which case the deadline for providing evidence is 56 days beginning with the day on which the request is made.

The intention of these regulations is also to address a particular issue which has arisen in relation to the financial year 2024-25 where the requirements to be classed as self-catering holiday accommodation liable for non-domestic rates may have been met but evidence was not provided to the assessor, or was not provided within the prescribed timescales for the assessor to be able to consider it.

The regulations introduce a time-limited opportunity for self-catering holiday accommodation providers to submit to the assessor, within a prescribed period, evidence of meeting the letting requirements in the financial year 2024-25 (that is, evidence that the accommodation was available for letting for 140 nights or more, and actually let for a period of at least 70 of those nights). Such evidence must be sent to the assessor no earlier than 1 April 2026 and before 1 May 2026 in order for the assessor to be required to consider it, alongside any evidence of letting which they already hold for that property, and to determine whether the property is classed as self-catering holiday accommodation liable for non-domestic rates for the financial year 2024-25.

Within that same time period, self-catering holiday accommodation providers may alternatively request assessors to consider any evidence of letting which the assessor may already hold for their particular property for the financial year 2024-25. This can include both evidence which the assessor has already considered, and evidence which the assessor was previously precluded from considering, because it was sent after the deadline provided for in regulation 5A of the Council Tax (Dwellings and Part Residential Subjects) (Scotland) Regulations 1992. A request must be sent to the assessor before 1 May 2026.

The regulations require assessors to consider evidence sent to them between 1 April and 30 April 2026 (inclusive), along with any evidence they may already hold for that property for 2024-25, whether or not they have already been able to consider it. Where the evidence is considered insufficient, the assessor may request further

information, which must be supplied within 14 days, beginning with the day the request is sent.

Where no evidence is submitted under these regulations between 1 April and 30 April 2026 (inclusive), and a request has been made before 1 May 2026, assessors must re-consider any evidence previously supplied in accordance with regulation 5A of the Council Tax (Dwellings and Part Residential Subjects) (Scotland) Regulations 1992, and consider for the first time any evidence previously sent but which could not be considered because it was sent after the deadline provided for in regulation 5A of the Council Tax (Dwellings and Part Residential Subjects) (Scotland) Regulations 1992.

In the interests of transparency, the regulations clarify the action which will be taken by assessors where evidence is not sent within the prescribed timeframes, or is not considered to be sufficient. The property will be considered as not being self-catering holiday accommodation liable for non-domestic rates, and will be classed as a dwelling liable for council tax.

This is a transitional arrangement in respect of the financial year 2024-25, in acknowledgement of issues which have arisen following the introduction, with effect from 1 April 2024, of a statutory deadline to respond to assessor requests for information and where the requirements to be classed as self-catering holiday accommodation liable for non-domestic rates may have been met but evidence was not provided to the assessor, or was not provided within the prescribed timescales for the assessor to be able to consider it. It does not apply to evidence for any other financial year.

Background

To be classed as self-catering holiday accommodation liable for non-domestic rates, the accommodation must be available to let for 140 nights or more in a financial year, and actually let for at least 70 of those nights.

These requirements were introduced with effect from 1 April 2023 following a recommendation by the 2017 independent Barclay Review of non-domestic rates to counter a known avoidance tactic for second homes, and owners or occupiers of self-catering properties. Assessors can request evidence of the intention to let, or of actual letting, or both, to determine whether the requirements are met.

To provide clarity to self-catering accommodation providers, the Council Tax (Dwellings and Part Residential Subjects) (Scotland) Regulations 1992 were amended with effect from 1 April 2024, to introduce a deadline for providing evidence in response to an information request from assessors. These regulations clarify that evidence relating to a particular financial year must be sent within 56 days of the end of the financial year to which the evidence relates (before 27 May), failing which the assessor will deem the property to be a dwelling, liable for Council Tax, and will remove it from the valuation roll. However, where the assessor makes a request after the end of the financial year to which the requested evidence relates, these regulations require for the evidence to be provided within 56 days of that request being made.

The same issue as described above in relation to the financial year 2024-25 arose in respect of 2023-24 whereby evidence was not provided by the deadline to do so,

and the Council Tax (Dwellings and Part Residential Subjects) (Scotland) Amendment Regulations 2025 were laid to enable evidence of letting or intention to let a property as self-catering holiday accommodation, in relation to the financial year 2023-24, to be sent to the assessor at any time from 4 November 2025 and before 6 December 2025; or during the same period, for a request to be made to the assessor to consider evidence the assessor already may hold for that year.

UN Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 Compatibility

In accordance with section 23(2) of the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024, the Scottish Ministers certify that, in their view, the Council Tax (Dwellings and Part Residential Subjects) (Scotland) Amendment Regulations 2026 are compatible with the UNCRC requirements as defined by section 1(2) of the Act.

EU Alignment Consideration

This instrument is not relevant to the Scottish Government's policy to maintain alignment with the EU.

Consultation

There is no statutory obligation to consult on these Regulations.

Impact Assessment

A Business and Regulatory Impact Assessment and a Child Rights and Wellbeing Impact Assessment and Statement of Compatibility have been completed for these regulations.

Financial Effects

This policy will benefit self-catering holiday accommodation which met the requirements to be classed as such for the financial year 2024-25 and therefore liable for non-domestic rates but evidence was not provided to the assessor, or not provided within the prescribed timescales so as to allow the assessor to consider the evidence.

It is estimated that less than 5% of self-catering properties may be impacted by the issue. As an indication, as at 1 June 2024 there were 16,818 self-catering properties on the valuation roll. The majority of self-catering holiday accommodation classed as non-domestic receives 100% Small Business Bonus Scheme relief, with 77% of self-catering properties on the roll receiving 100% relief as at 1 June 2024.

Where a property is removed from the valuation roll, it will be liable for council tax. Based on the number of self-catering properties removed from the valuation roll thus far in 2024, a broad estimate for council tax worth is around £400,000. This estimate includes however properties where the use of the property has changed or where a property did not meet the requirements in 2024-25 to be classed as self-catering holiday accommodation liable for non-domestic rates.

LGHP/S6/26/9/1

Scottish Government
Local Government Directorate
February 2026