

Local Government, Housing and Planning Committee
Tuesday 10 March 2026
11th Meeting, 2026 (Session 6)

Note by the Clerk: Non-Domestic Rates (Levying and Miscellaneous Amendment) (Scotland) Regulations 2026 (SSI 2026/68)

Overview

1. At its meeting on 3 March 2026, the Committee agreed to take evidence from the Minister for Public Finance on the following Scottish Statutory Instrument (SSI). The instrument is subject to the negative procedure.
2. Following evidence, the Committee is then invited to consider the instrument and decide what, if any, recommendations to make.
3. More information about the instrument is summarised below:

Title of Instrument: [The Non-Domestic Rates \(Levying and Miscellaneous Amendment\) \(Scotland\) 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

Procedure

4. 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.
5. 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.
6. 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).

7. If there is no motion recommending annulment, the lead committee is not required to report on the instrument.

Delegated Powers and Law Reform Committee consideration

8. 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

9. 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.
10. The Policy Note accompanying the instrument is included at Annexe A 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

11. The Committee has received two written submissions regarding the provisions in the Regulations.
 - [Scottish Land and Estates](#) (SLE) (Annexe B)
 - [British Association for Shooting and Conservation](#) (BASC) (Annexe C)

Committee consideration

12. So far, no motion recommending annulment of any instrument has been lodged.
13. The Committee considered the instrument at its meeting on 3 March and agreed to take evidence from the Minister for Public Finance.
14. Following today's evidence session it is then for the Committee to consider any additional information gathered and decide whether to make recommendations in relation to the instrument.
15. If, following today's evidence, members have no points to raise, the Committee should note the instrument (that is, agree that it has no recommendations to make).

16. 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
March 2026

Annexe A: Scottish Government Policy Note

The Non-Domestic Rates (Levying 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 = $100 - \left(75 \times \left(1 - \frac{(15000 - RV)}{3000}\right)\right)$
£15,001 to £19,999	Relief percentage = $25 \times \left(\frac{(20000 - RV)}{5000}\right)$

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 = $25 \times \left(\frac{(20000 - RV)}{5000}\right)$

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

Annexe B: 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.

Annexe C: 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.