

Local Government, Housing and Planning Committee
Tuesday 24 March 2026
13th Meeting, 2026 (Session 6)

Note by the Clerk on the Non-Domestic Rates (Miscellaneous Amendment) (Scotland) Regulations 2026 (SSI 2026/135)

Overview

1. At its meeting on 17 March 2026, the Committee considered the [Non-Domestic Rates \(Miscellaneous Amendment\) \(Scotland\) Regulations 2026](#) (SSI 2026/135) and agreed to take further evidence on the negative instrument.
2. At this meeting, the Committee will take evidence from a panel of stakeholders followed by the Minister for Public Finance. The Committee will then be 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: [Non-Domestic Rates \(Miscellaneous Amendment\) \(Scotland\) Regulations 2026](#) (SSI 2026/135)

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

Laid on: 10 March 2026

Procedure: Negative

Deadline for committee consideration: 1 June 2026 (Advisory deadline for any committee report to be published)

Deadline for Chamber consideration: 6 June 2026 (Statutory 40-day deadline for any decision whether to annul the instrument)

Commencement: 31 March 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 17 March 2026 and [reported on it in its 37th Report, 2026](#). The DPLR Committee draws the instrument to the attention of the Parliament under reporting ground (j) for a failure to lay the instrument in accordance with section 28(2) of the Interpretation and Legislative Reform (Scotland) Act 2010.

Purpose of the instrument

9. These Regulations make amendment to the following negative instruments, which were considered by the Committee on 10 March 2026.
 - Non-Domestic Rates (Retail, Hospitality and Leisure Relief) (Scotland) Regulations 2026 (SSI 2026/69);
 - Non-Domestic Rates (Levying and Miscellaneous Amendment) (Scotland) Regulations 2026 (SSI 2026/68); and
 - Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2026 (SSI 2026/70).
10. The effect is twofold. First, the non-domestic rates payable in respect of certain lands and heritages used for the purposes of providing particular types of hospitality, or as a live music venue, are reduced by 40% of the daily gross rates payable in respect of a day in the financial year 2026-2027, rather than the 15% relief to which they were generally entitled under the Retail, Hospitality and Leisure Relief Regulations as laid. Only properties with a rateable value of £100,000 or less are eligible for this relief. The reductions operate subject to the condition that, in respect of any given day, the total reduction in the rates liability of any ratepayer under the Retail, Hospitality and Leisure Relief Regulations may not exceed £110,000.
11. Secondly, these Regulations put in place a specific transitional limit for lands and heritages which on a given day in the financial year 2026-2027 are used wholly or mainly as self-catering holiday accommodation.
12. The [Policy Note](#) accompanying the instrument is included at **Annexe A**. 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 \(CRWIA\)](#)

Explanation to the Presiding Officer

13. As the instrument was laid less than 28 days before coming into force, the Scottish Government is required to provide an explanation. This is set out in **Annexe B**. The Committee is required to consider the explanation, and may comment on it in any report.

Committee consideration

14. So far, no motion recommending annulment has been lodged.

15. The Committee [considered the instrument at its meeting on 17 March 2026](#) and agreed to take further evidence from stakeholders and the Minister for Public Finance.

16. Following this evidence session, it is then for the Committee to consider the additional information gathered and decide whether to make recommendations in relation to the instrument.

17. If members have no points to raise, the Committee should note the instrument (that is, agree that it has no recommendations to make).

18. However, should a motion recommending annulment be lodged later in the 40-day period, it may be necessary to consider the instrument again.

Clerks to the Committee
March 2026

Annexe A: Scottish Government Policy Note

Non-Domestic Rates (Miscellaneous Amendment) (Scotland) Regulations 2026 (SSI 2026/135)

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 make amendments to the Non-Domestic Rates (Retail, Hospitality and Leisure Relief) (Scotland) Regulations 2026, the Non-Domestic Rates (Levying and Miscellaneous Amendment) (Scotland) Regulations 2026 and the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2026.

They provide for the following temporary non-domestic rates reliefs for the financial year 2026-27:

- a 40% non-domestic rates relief for properties used for specified hospitality purposes or as live music venues, and with a rateable value up to and including £100,000 on the mainland (except Remote Areas), capped at a maximum of £110,000 per ratepayer; and
- a 15% cap on increase in the amount of rates payable as a result of revaluation for self-catering holiday accommodation in certain circumstances.

Policy Objectives

40% relief for specified hospitality premises and music venues

The regulations provide for a temporary 40% relief (i.e. a reduction of 40% 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 in the hospitality sector and music venues with a rateable value up to and including £100,000 (those liable for the Basic or Intermediate Property Rate). The relief reduces by 40% the gross rates payable for eligible properties in respect of any day in 2026-27. Where a ratepayer also has other property eligible for 15% mainland (except Remote Areas) Retail, Hospitality and Leisure Relief or 100% Islands and Remote Areas Retail, Hospitality and Leisure Relief, the total maximum amount by which the rates liability of the ratepayer may be reduced, applying regulations 4, 4A and 5, as relevant, is £110,000. An application requires to be made by the ratepayer to the council for this relief.

This relief is available instead of the mainland (except Remote Areas) 15% Retail, Hospitality and Leisure Relief to which eligible properties were previously entitled which was announced in Budget 2026-27 and legislated for under the Non-Domestic Rates (Retail, Hospitality and Leisure Relief) (Scotland) Regulations 2026.

The relief is not available on a property that is in receipt of Islands and Remote Areas Retail, Hospitality and Leisure Relief under regulation 5 of the Non-Domestic Rates (Retail, Hospitality and Leisure Relief) (Scotland) Regulations 2026.

Within Schedule 1A, use for the purposes of defining eligible hospitality premises and music venues includes use wholly or mainly for the following purposes: hotel, hostel, live music venue, public house or night club and restaurant. It also clarifies that for live music venues the premises should operate all year round as an indoor venue hosting live music events for a public audience.

15% cap on gross liability increases for eligible self-catering holiday accommodation

This instrument also provides for a specific Revaluation Transitional Relief for self-catering properties, capping increases in gross liabilities due to revaluation at 15%, the Cabinet Secretary for Finance having announced on 12 February a 15% year-on-year cap for the next three years i.e. up to the next revaluation, in 2029. An application requires to be made by the ratepayer to the council for this relief. Eligible properties may then be awarded this relief instead of being automatically awarded the Revaluation Transitional Relief which was announced in Budget 2026-27 and legislated for in the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2026.

The award of these reliefs must be compatible with the Subsidy Control Act 2022.

These reliefs are 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 announced on 12 February by the Cabinet Secretary for Finance and Local Government.¹ These reliefs were committed to for the three financial years 2026-27 to 2028-29.

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 Non-Domestic Rates (Retail, Hospitality and Leisure Relief) (Scotland) Regulations 2026. 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. It is considered that the expansion of that relief brought by these Regulations has no impact on the outcome of that assessment.

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 published a Supplementary Costing on 24 February including a cost estimate for these reliefs of £9 million, £12 million and £17 million in 2026-27, 2027-28 and 2028-29 respectively.²

Scottish Government
Local Government and Housing Directorate
March 2026

¹ Meeting of the Parliament: 12/02/2026 | Scottish Parliament Website - <https://www.parliament.scot/chamber-and-committees/official-report/search-what-was-said-in-parliament/meeting-of-parliament-12-02-2026?meeting=20067>

² Supplementary Costing – Non-Domestic Rates Measures – February 2026 | Scottish Fiscal Commission - <https://fiscalcommission.scot/publications/supplementary-costing-non-domestic-rates-measures-february-2026/>

Annexe B: Explanation to the Presiding Officer of why the instrument was laid in breach of the statutory laying requirements, 10 March 2026

Dear Presiding Officer

The Non-Domestic Rates (Miscellaneous Amendment) (Scotland) Regulations 2026

The Non-Domestic Rates (Miscellaneous Amendment) (Scotland) Regulations 2026, SSI 2026/135 was made by the Scottish Ministers under section 153 of the Local Government etc. (Scotland) Act 1994. It is being laid before the Scottish Parliament on 10 March 2026 with a coming into force date of 1 April 2026, subject to parliamentary processes.

Section 28(2) of the Interpretation and Legislative Reform (Scotland) Act 2010 provides that a negative SSI must be laid before the Scottish Parliament at least 28 days before the instrument comes into force. On this occasion, this has not been complied with and to meet the requirements of section 31(3) that Act, this letter explains why.

On 27 January 2026 the Chancellor announced a 15% relief in 2026-27 and a rates freeze in 2027-28 and 2028-29 for pubs and music venues in England. Scottish Ministers had previously committed to passing on any consequential arisings from new business rates support measures to businesses in Scotland.

On 12 February 2026, at Stage 1 of the Budget Bill, the Cabinet Secretary for Finance and Local Government announced that the Scottish Government would pass on in full the expected additional consequential funding from the Chancellor's 27 January announcement, with 25% additional relief for three years for eligible licensed hospitality and music venues liable for Basic or Intermediate Property Rate, capped at £110,000 per ratepayer per year. This takes the total relief for eligible licensed hospitality premises and music venues to 40% for the next three years, capped at £110,000 per business per year; and a Revaluation Transitional Relief specifically for self-catering capping increases in gross rates liabilities at 15% year-on-year of the next three years for eligible premises.

The Non-Domestic Rates (Miscellaneous Amendment) (Scotland) Regulations 2026 provide for these new measures.

The Scottish Government has sought to make, lay and bring into force this instrument as soon as possible following the finalisation of the package of measures announced on 12 February. On this occasion, it has not been possible to meet the requirements of section 31(3) given the required coming into force date of 1 April 2026.

Yours sincerely

Ivan McKee
Minister for Public Finance