

Finance Circular - 2/2010

Non Domestic Rates: Statutory Instruments

1. I am writing to let you know about a number of non-domestic rates Statutory Instruments which have been laid before the Scottish Parliament and will come into force from 1 April 2010.
2. Please cascade this circular within your local authority as appropriate. The guidance is set out below

The Non-Domestic Rate (Scotland) Order 2010 (SSI 2010/36)

3. This Order prescribes a rate of 40.7 pence in the pound as the non-domestic rate to be levied throughout Scotland in respect of the financial year 2010-2011.

The Non-Domestic Rates (Levy) (Scotland) Regulations 2010 (SSI 2010/43)

4. These Regulations make provision for the Small Business Bonus Rates Relief Scheme for the 2010-11 financial year and sets the threshold for payment of the poundage supplement.
5. Ratepayers who occupy property with a rateable value (RV) greater than £35,000 will pay the poundage rate plus a small supplement of 0.7p.
6. The Order prescribes the RV thresholds of the Small Business Bonus Scheme for 2010-11. Eligible property with a combined RV up to £10,000 will be eligible for relief of 100%, those with a combined RV up to £12,000, 50% and a combined RV of £18,000 or less 25%. Additionally businesses with multiple properties whose cumulative RV is £25,000 or less will be eligible for relief of 25% for each property with a RV less than £18,000.

The Non-Domestic Rating (Rural Areas and Rateable Value Limits) (Scotland) Amendment Order 2010 (SSI 2010/37)

7. The Order prescribes the maximum rateable value, above which property will not be eligible for relief. £8,500 (for qualifying general stores, post offices and food stores) and £12,750; (for qualifying petrol stations, hotels and public houses) are prescribed in relation to mandatory relief, and £17,000 in relation to discretionary relief.

The Council Tax (Dwellings) (Scotland) Regulations 2010 (SSI 2010/35)

8. The Order exempts parts of a combined heat and power (CHP) plant from valuation for non-domestic rating purposes. Consequently, the parts of a CHP plant included in the definition of a dwelling will not attract a liability for non-domestic rates.

The Non-Domestic Rating (Valuation of Utilities) (Scotland) Amendment Order 2010 (SSI 2010/38)

9. The Order is required to reflect a change in name of three fixed line telecommunications operators within the designated assessors regime.

The Non-Domestic Rates (Renewable Energy Generation Relief) (Scotland) Regulations 2010 (SSI 2010/44)

10. The Order prescribes the RV thresholds of the Renewable Energy Generation Relief Scheme. Eligible property with a rateable value up to £145,000 will be eligible for relief of 100%, those with a RV up to £430,000, 50%, with a RV up to £860,000, 25%, with a RV up to £4m, 10% and with a RV of £4m or above 2.5%.
11. The Scheme will be application based and operate within State aid guidelines. Further guidance will be issued shortly.

General

12. This Circular is being sent electronically to the Scottish Assessors, Chief Executive of COSLA, Chief Executives, Directors of Finance and Heads of Revenue of each local authority and will be made available through the Local Government section of the Scottish Government website at:

<http://www.scotland.gov.uk/Topics/Government/local-government/17999/11203>

13. These Statutory Instruments will shortly be available on the website of the Office of Public Sector Information at: www.opsi.gov.uk/legislation/scotland/s-stat.htm.

14. Further information in relation to the 2010 revaluation of non-domestic property is available from the Local Government pages of the Scottish Government website at: www.scotland.gov.uk/businessrates

15. We would encourage local authorities to publicise both the Scottish Government website and Scottish Assessors Portal in their communications with ratepayers as a source of information and advice in relation to the Revaluation

16. If you have any queries relating to this Circular please contact me on 0131 244 7025 or by email at Jim.gilmour@scotland.gsi.gov.uk.

Yours faithfully,

JIM GILMOUR