

# Local Government, Housing and Planning Committee

**11<sup>th</sup> Meeting, 2023 (Session 6)**

**Tuesday, 18 April 2023**

## **SSI cover note for: Non-Domestic Rates (Transitional Relief) (Scotland) Amendment Regulations 2023**

### **SSI 2023/63**

**Title of Instrument:** Non-Domestic Rates (Transitional Relief) (Scotland)  
Amendment Regulations 2023

**Type of Instrument:** Negative

**Laid Date:** 2 March 2023

**Circulated to Members:** 16 March 2023

**Meeting Date:** 18 April 2023

**Minister to attend meeting:** No

**Motion for annulment lodged:** No

**Drawn to the Parliament's attention by the Delegated Powers and Law Reform  
Committee?** No

**Reporting deadline:** 24 April 2023

## **Recommendation**

1. The Committee is invited to consider any issues which it wishes to raise on this instrument.
2. An electronic copy of the instrument is available at: [The Non-Domestic Rates \(Transitional Relief\) \(Scotland\) Amendment Regulations 2023 \(legislation.gov.uk\)](https://www.legislation.gov.uk/ukdsi/2023/01/01/ukdsi202300063)

3. Copies of the Scottish Government’s Explanatory and Policy Notes are included in **Annexe A**.

## **Purpose**

4. The Policy Note states that these Regulations make minor amendments to the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2023. The Policy Note then goes on to summarise the amendments, which largely consist of correcting typographical errors and clarifying definitions in the original Regulations. The Regulations also make similar corrections and clarifications to the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2023 in respect of the Small Business Transitional Relief.

## **Delegated Powers and Law Reform Committee consideration**

5. At its meeting on 15 March 2023<sup>1</sup> the DPLR Committee considered the instrument and agreed not to draw it to the attention of the relevant lead committee.

## **Procedure for Negative Instruments**

6. Negative instruments are instruments that are “subject to annulment” by resolution of the Parliament for a period of 40 days after they are laid. All negative instruments are considered by the Delegated Powers and Law Reform Committee (on various technical grounds) and by the relevant lead committee (on policy grounds). Under Rule 10.4, any member (whether a member of the lead committee) may, within the 40-day period, lodge a motion for consideration by the lead committee recommending annulment of the instrument. If the motion is agreed to, the Parliamentary Bureau must then lodge a motion to annul the instrument for consideration by the Parliament.

7. If that is also agreed to, Scottish Ministers must revoke the instrument. Each negative instrument appears on a committee agenda at the first opportunity after the Delegated Powers and Law Reform Committee has reported on it. This means that, if questions are asked or concerns raised, consideration of the instrument can usually be continued to a later meeting to allow correspondence to be entered into or a Minister or officials invited to give evidence. In other cases, the Committee may be content simply to note the instrument and agree to make no recommendation on it.

## **Clerks, Local Government, Housing and Planning Committee**

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<sup>1</sup> <https://digitalpublications.parliament.scot/Committees/Report/DPLR/2023/3/15/e88d1e7f-d8e2-4a9c-a9b2-540e0b9dab2b#Annex-A>

# Annexe A

## Scottish Government Explanatory Note

1. These Regulations make minor amendments to the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2023.
2. Regulation 2(2) corrects a typographical error in the paragraph numbering within the description of “PF” in regulation 8.
3. Regulation 2(3)(a) corrects a typographical error in the paragraph numbering within the description of “PF” in regulation 9(2).
4. Regulation 2(3)(b) clarifies that “X” has the meaning given in what is now paragraph (c) of the description of “X” in regulation 9(2) only where the lands and heritages have a rateable value of more than £100,000 at revaluation on 1 April 2023. It also corrects a typographical error in the paragraph numbering within the description of “X”.
5. Regulation 2(4) amends regulation 12(3) to correct the fact that the section at the end of the paragraph was erroneously numbered (c).
6. Regulation 2(5)(a)(i) clarifies the intended meaning of “A” in the formula in regulation 14(4)(b). In applying the formula the amount of relief granted under regulation 10 of the Non-Domestic Rates (Relief for New and Improved Properties) (Scotland) Regulations 2022 has to be divided by 366. Regulation 2(5)(a)(i) also replaces the reference to “a day” in the description of “A” with “the day with reference to which the transitional limit is calculated”. Regulation 2(5)(a)(ii) makes an identical change to the description of “Z” in the formula. The revised wording reflects that different amounts of relief may be granted in respect of different days.
7. Regulation 2(5)(b) amends regulation 14(6) to provide that where there is an entitlement to relief under both regulations 7 and 14, relief under regulation 14 is to be applied to the rates liability arrived at through applying regulation 7.
8. Regulation 2(6) corrects a typographical error in the paragraph numbering within regulation 17(3).

**POLICY NOTE****THE NON-DOMESTIC RATES (TRANSITIONAL RELIEF) (SCOTLAND)  
AMENDMENT REGULATIONS 2023****SSI 2023/63**

The above instrument was made in exercise of the powers conferred by powers conferred by section 153 of the Local Government etc. (Scotland) Act 1994. The instrument is subject to negative procedure and comes into force on 1 April 2023.

These Regulations make minor amendments to the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2023.

**Policy Objectives**

Regulation 2(2) corrects a typographical error in the paragraph numbering within the description of the poundage figure “PF” in regulation 8.

Regulation 2(3)(a) corrects a typographical error in the paragraph numbering within the description of the poundage figure “PF” in regulation 9(2).

Regulation 2(3)(b) clarifies that “X” has the meaning given in what will be paragraph (c) in regulation 9(2) of The Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2023 only where the lands and heritages have a rateable value of more than £100,000 at revaluation on 1 April 2023. In other words, X is 1.250 where at revaluation on 1 April 2023 the lands and heritages have a rateable value between £20,001 and £100,000; and 1.375 where at revaluation on 1 April 2023 the lands and heritages have a rateable value of more than £100,000.

Regulation 2(4) amends regulation 12(3) of The Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2023 to correct the fact that the section at the end of the paragraph was incorrectly numbered (c).

The next two changes relate to the Small Business Transitional Relief.

Firstly, the formula in regulation 14(4)(a) of the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2023 takes into account “A”, the amount of relief granted under regulation 10 of the Non-Domestic Rates (Relief for New and Improved Properties) (Scotland) Regulations 2022 (“the new and improved property relief Regulations”). Regulation 2(5)(a)(i) clarifies the intended meaning of “A” in regulation 14(4)(b) by substituting for “in respect of a day on or after 1 April 2023” with “in respect of the day with reference to which the transitional limit is calculated, multiplied by 366”. This is both to reflect the fact the formula in 14(4)(a) already divides “A” by 366, and that different amounts of relief may be granted under regulation 10 of the 2022 Regulations in respect of different days.

Secondly, regulation 2(5)(a)(ii) replaces the reference to “a day” in the description of “Z” in regulation 14(4)(b) of The Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2023 with “the day with reference to which the transitional limit is calculated”. “Z” is the percentage of relief other than relief under regulation 10 of the new and improved property relief Regulations granted in respect of a day. This reflects that different percentages of relief may be granted in respect of different days.

Regulation 2(5)(b) amends regulation 14(6) of The Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2023 to provide that where there is an entitlement to relief under both regulations 7 and 14, relief under regulation 14 is to be applied to the rates liability arrived at through applying regulation 7. The net result in terms of relief awarded for a recipient in this situation is the same as it would have been under regulation 14(6) of the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2023 as originally laid, this simply means that the relief awarded may be classified in part as relief under regulation 7 and in part as relief under regulation 14.

Regulation 2(6) corrects a minor typographical error in the paragraph numbering within regulation 17(3) of The Non-Domestic Rates (Transitional Relief) (Scotland) Amendment Regulations 2023.

### **Consultation**

There is no requirement to consult on these regulations.

### **Impact Assessments**

No Business and Regulatory Impact Assessment has been carried out.

### **Financial Effects**

There are no additional financial effects expected compared to The Non-Domestic Rates (Transitional Relief) (Scotland) Amendment Regulations 2023.

Scottish Government  
Local Government and Communities Directorate

*March 2023*