

Local Government, Housing and Planning Committee

5th Meeting, 2024 (Session 6)

Tuesday, 6 February 2024

SSI cover note for: The Non-Domestic Rate (Scotland) Order 2024

SSI 2024/3

Title of Instrument: The Non-Domestic Rate (Scotland) Order 2024

Type of Instrument: Negative

Laid Date: 11 January 2024

Circulated to Members: 11 January 2024

Meeting Date: 6 February 2024

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: 26 February 2024

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:
<https://www.legislation.gov.uk/ssi/2024/3/contents/made>
3. Copies of the Scottish Government's Explanatory and Policy Notes are included in **Annexe A**.

Purpose

4. The Explanatory Note states that—

‘This Order prescribes a rate of 49.8 pence in the pound as the non-domestic rate to be levied throughout Scotland in respect of the financial year 2024-2025. A rate of 49.8 pence in the pound was also prescribed by the Scottish Ministers as the non-domestic rate for the financial years 2022-2023 (S.S.I. 2022/36) and 2023-2024 (S.S.I. 2023/29).’

5. The Policy Note explains that the purpose of the instrument is ‘to set the non-domestic rate poundage in Scotland at 49.8 pence for 2024-25.’

6. The Policy Note further states that ‘this instrument will result in the poundage applies to non-domestic properties in Scotland from 1 April 2024 to 31 March 2025 being 49.8 pence, the same as in the two prior financial years. As a result, the Basic Property Rate which applies to properties with a rateable value up to and including £51,000, will be 49.8p in 2024-25.’

Delegated Powers and Law Reform Committee consideration

7. At its meeting on 23 January 2024¹ the DPLR Committee considered the instrument and agreed not to draw it to the attention of the relevant lead committee.

Procedure for Negative Instruments

8. 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.

9. 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**

Annexe A

Scottish Government Explanatory Note

This Order prescribes a rate of 49.8 pence in the pound as the non-domestic rate to be levied throughout Scotland in respect of the financial year 2024-2025. A rate of 49.8 pence in the pound was also prescribed by the Scottish Ministers as the non-domestic rate for the financial years 2022-2023 (S.S.I. 2022/36) and 2023-2024 (S.S.I. 2023/29).

Policy Note

The Non-Domestic Rate (Scotland) Order 2024 SSI 2024/3

The above instrument was made in exercise of the powers conferred by section 7B(1) of the Local Government (Scotland) Act 1975. The instrument is subject to the negative procedure.

Summary Box

Policy Objective

This instrument will result in the poundage applies to non-domestic properties in Scotland from 1 April 2024 to 31 March 2025 being 49.8 pence, the same as in the two prior financial years.

As a result, the Basic Property Rate which applies to properties with a rateable value up to and including £51,000, will be 49.8p in 2024-25.

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 these regulations were set out in the Scottish Budget 2024-25.¹

Impact Assessments

No Business and Regulatory Impact Assessment is required because the present instrument will not impose new regulatory burdens on businesses, charities or the voluntary sector compared with the Non-Domestic Rate (Scotland) Order 2023 which it replaces.

Financial Effects

The Scottish Fiscal Commission's Scotland's Economic and Fiscal Forecasts published on 19 December 2023 forecasted revenue for non-domestic rates in 2024-25 to be £3,143 million.

The instrument has no additional financial effects on the Scottish Government, local government or on business.

Scottish Government

Local Government and Housing Directorate January 2024

¹ <https://www.gov.scot/publications/scottish-budget-2024-25/>