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SCOTTISH STATUTORY INSTRUMENTS

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**2003 No. 160**

**RATING AND VALUATION**

**The Non-Domestic Rates (Levyng)  
(Scotland) Regulations 2003**

<i>Made</i>	- - - -	<i>10th March 2003</i>
<i>Laid before the Scottish Parliament</i>	- - - -	<i>11th March 2003</i>
<i>Coming into force</i>	- -	<i>1st April 2003</i>

The Scottish Ministers, in exercise of the powers conferred by section 153 of the Local Government etc. (Scotland) Act 1994<sup>(1)</sup> and of all other powers enabling them in that behalf, hereby make the following Regulations:

**PART I**  
**INTRODUCTORY**

**Citation and commencement**

**1.** These Regulations may be cited as the Non-Domestic Rates (Levyng) (Scotland) Regulations 2003 and shall come into force on 1st April 2003.

**Interpretation – general**

**2.** In these Regulations–

“the 1956 Act” means the Valuation and Rating (Scotland) Act 1956<sup>(2)</sup>;

“the 1962 Act” means the Local Government (Financial Provisions etc.) (Scotland) Act 1962<sup>(3)</sup>;

“the 1966 Act” means the Local Government (Scotland) Act 1966<sup>(4)</sup>;

“the 1975 Act” means the Local Government (Scotland) Act 1975<sup>(5)</sup>;

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(1) 1994 c. 39. The functions of the Secretary of State were transferred to the Scottish Ministers by virtue of section 53 of the Scotland Act 1998 (c. 46).  
(2) 4 and 5 Eliz 2, c.60.  
(3) 1962 c. 9.  
(4) 1966 c. 51.  
(5) 1975 c. 30.

“the 1992 Act” means the Local Government Finance Act 1992<sup>(6)</sup>;

“the 1997 Act” means the Local Government and Rating Act 1997<sup>(7)</sup>;

“the 2002 Regulations” means the Non-Domestic Rates (Levying) (Scotland) Regulations 2002<sup>(8)</sup>;

“new entry”, in relation to a split, merged or reorganised entry, means an entry in the roll taking effect from the day on which the merged, split or reorganised entry takes effect;

“old entry”, in relation to a merged, split or reorganised entry, means an entry in the roll for the day immediately prior to the day from which the merged, split or reorganised entry takes effect;

“part residential subjects” has the meaning assigned to it in section 99(1) of the 1992 Act;

“rateable value”, in relation to lands and heritages and a particular date, means—

- (a) in the case of part residential subjects, the rateable value entered in the roll for that date and apportioned to the non-residential use of those subjects; and
- (b) in any other case, the rateable value entered in the roll for that date in respect of those lands and heritages,

and includes a rateable value so entered with retrospective effect;

“rates” means non-domestic rates levied under section 7B of the 1975 Act<sup>(9)</sup>;

“the relevant year” means the period of 12 months beginning with 1st April 2003;

“the roll” means a valuation roll made up under section 1 of the 1975 Act<sup>(10)</sup>.

### **Interpretation – mergers**

#### **3. In these Regulations—**

- (a) “a merged entry” means any entry in the roll taking effect on a day in the relevant year as a result of lands and heritages shown in two or more old entries being shown in a single new entry, where—
  - (i) none of the lands and heritages shown in the relevant old entries are shown in a new entry, other than in the merged entry; and
  - (ii) the merged entry does not show any lands and heritages shown in an old entry, other than in the relevant old entries; and
- (b) “the relevant old entries”, in relation to a merged entry, means the old entries which showed the lands and heritages shown in the merged entry.

### **Interpretation – splits**

#### **4. In these Regulations—**

- (a) “a split entry” means any entry in the roll taking effect on a day in the relevant year as a result of lands and heritages shown in a single old entry being shown in two or more new entries, where—
  - (i) none of those new entries show lands and heritages shown in an old entry, other than in the relevant old entry; and

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<sup>(6)</sup> 1992 c. 14.

<sup>(7)</sup> 1997 c. 29.

<sup>(8)</sup> S.S.I. 2002/91.

<sup>(9)</sup> Section 7B was inserted by the Local Government Finance Act 1992 (c. 14), section 110(2) and was amended by the Local Government etc. (Scotland) Act 1994 (c. 39) (“the 1994 Act”), Schedule 13, paragraph 100(4).

<sup>(10)</sup> Section 1 was repealed in part by the Local Government and Rating Act 1997 (c. 29), Schedule 4.

- (ii) no lands and heritages shown in the relevant old entry are shown in a new entry, other than in those new entries; and
- (b) “the relevant old entry”, in relation to a split entry, means the old entry which showed the lands and heritages shown in the split entry.

### **Interpretation – reorganisations**

#### **5. In these Regulations–**

- (a) “a reorganised entry” means any entry in the roll taking effect on a day in the relevant year which is not a split or merged entry, and which shows lands and heritages–
  - (i) which were to any extent shown in two or more old entries; or
  - (ii) which are part only of lands and heritages shown in a single old entry and the other part of which is shown to any extent in one or more other new entries;
- (b) “reorganisation” means a situation where, with effect from a day in the relevant year, lands and heritages shown immediately before that day in two or more old entries are shown in two or more new entries, each of which is a reorganised entry; and
- (c) “the relevant old entries”, in relation to a reorganised entry, means the old entries affected by the reorganisation which gave rise to that entry.

## **PART II**

### **LANDS AND HERITAGES ON ROLL ON 1ST APRIL 2003**

#### **Application of Part II**

**6.—(1)** Subject to paragraph (2) below, this Part applies to lands and heritages which are shown in the roll on 1st April 2003 if either–

- (a) regulation 7 of the 2002 Regulations; or
- (b) Part III of those Regulations,

applied to them as regards 31st March 2003, and they are not shown in a merged, split or reorganised entry taking effect on 1st April 2003.

(2) This Part shall cease, as from the date of any merged, split or reorganised entry taking effect subsequent to 1st April 2003, to apply to the lands and heritages shown in that entry.

#### **Amount payable as rates**

**7.** The amount payable as rates in respect of any lands and heritages to which this Part applies and any day in the relevant year shall, subject to regulations 9, 10 and Parts IV and VI below, be calculated in accordance with the formula–

$$\text{ARP} = \text{NL} + (0.26100522 \times \text{BTA})$$

where–

ARP is the amount of rates payable;

NL is the notional liability calculated in accordance with regulation 8 below;

BTA is the base transitional adjustment, being–

the amount payable as rates in respect of those lands and heritages and 31st March 2003, less the notional liability in respect of those lands and heritages and 31st March

2003 calculated in accordance with the formula contained in regulation 8 of the 2002 Regulations.

### Notional liability

8. The notional liability in respect of any lands and heritages to which this Part applies and any day shall be calculated in accordance with the formula—

$$\frac{RV \times APF}{366}$$

where—

RV is the rateable value for those lands and heritages on that day; and

APF is the appropriate poundage figure, being—

- (a) 0.478 + S, where S is the additional factor of 0.006 and where the rateable value of those lands and heritages exceeds £25,000 on 1st April 2003; and
- (b) 0.478, in any other case.

### Changes in rateable value after 1st April 2003

9.—(1) Where, subsequent to 1st April 2003, the rateable value of lands and heritages to which this Part applies is increased with effect from a day in the relevant year (the “effective day”) the ARP shall not be payable but shall, as regards days in that year on and after that effective day, be calculated in accordance with the formula—

$$ARP + \frac{(IRV - RV) \times PF}{366}$$

where—

ARP has the same meaning as in regulation 7 above;

IRV is the increased rateable value of those lands and heritages;

RV is their rateable value immediately prior to the effective day; and

PF is the poundage figure, being—

- (a) 0.478 + S, where S is the additional factor of 0.006 and where the increased rateable value of those lands and heritages exceeds £25,000; and
- (b) 0.478, in any other case.

(2) Where, subsequent to 1st April 2003, the rateable value of lands and heritages to which this Part applies is reduced with effect from a day in the relevant year, as a result of—

- (a) a material change of circumstances (within the meaning of section 37(1) of the 1975 Act<sup>(11)</sup>); or
- (b) the assessor amending or adding an apportionment note under paragraph 2 of Schedule 5 to the 1992 Act,

the ARP shall not be payable but shall, as regards days in that year on and after that effective day, be calculated in accordance with the formula—

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(11) The relevant definition in section 37(1) was amended by the Rating and Valuation (Amendment) (Scotland) Act 1984 (c. 31), section 20 and Schedule 2, paragraph 17, by the Abolition of Domestic Rates Etc. (Scotland) Act 1987 (c. 47), Schedule 6, and by the 1994 Act, Schedule 13, paragraph 100(8).

$$\frac{ARP \times RRV}{RV}$$

where—

ARP and RV have the same meanings as in paragraph (1) above; and  
RRV is the reduced rateable value of those lands and heritages.

### **Reduction in rateable value on 1st April 2003**

**10.** Where the rateable value of lands and heritages to which this Part applies is reduced on 1st April 2003, as a result of—

- (a) a material change of circumstances (within the meaning of section 37(1) of the 1975 Act); or
- (b) the assessor amending or adding an apportionment note under paragraph 2 of Schedule 5 to the 1992 Act,

the ARP shall not be payable but shall be calculated in accordance with the formula—

$$ARP = NL + (0.261/0.522 \times BTA \times (RV/PRV))$$

where—

ARP, NL and BTA have the same meanings as in regulation 7 above;  
RV is the rateable value of those lands and heritages on 1st April 2003; and  
PRV is the rateable value of those lands and heritages on 31st March 2003.

## **PART III**

### **MERGERS, SPLITS AND REORGANISATIONS AFTER 31ST MARCH 2003**

#### **Application of Part III**

**11.—**(1) Where, subsequent to 31st March 2003, lands and heritages are shown in a merged, split or reorganised entry with effect from a day in the relevant year (the “effective day”), this Part shall, subject to paragraph (2) below, apply to those lands and heritages as from that effective day.

(2) This Part shall not apply to lands and heritages shown—

- (a) in a merged or reorganised entry, if that entry does not show (in whole or in part) any lands and heritages in respect of which—
  - (i) regulation 7 of the 2002 Regulations;
  - (ii) Part III of those Regulations;
  - (iii) regulation 7 above; or
  - (iv) this Part,

applied as regards the day immediately prior to the effective day of that entry;

- (b) in a split entry, if none of the provisions referred to in sub-paragraph (a) above or this Part applied in respect of the lands and heritages shown in the relevant old entry and the day immediately prior to the effective date of the split entry.

### **Mergers and reorganisations-amount payable as rates**

12.—(1) Where lands and heritages to which this Part applies are shown in a merged or reorganised entry, the amount payable as rates in respect of those lands and heritages and a day in the relevant year shall, subject to regulation 14 and Parts IV and VI below, be calculated in accordance with the formula—

$$TAL \times \frac{RV}{TORV}$$

where—

TAL is the total of the applicable liabilities in respect of each relevant old entry, ascertained in accordance with paragraph (2) below;

RV is the rateable value shown in the merged or reorganised entry; and

TORV is the total old rateable value, being the total of the rateable values shown in the relevant old entries.

- (2) For the purpose of paragraph (1) above, the applicable liability in respect of an old entry is—
- (a) where regulation 7 above applies in respect of the lands and heritages shown in that entry and the day immediately prior to the effective day of the merged or reorganised entry, the amount determined under the applicable paragraph (before application of Parts IV and VI below);
  - (b) where this Part applies in respect of those lands and heritages and that day, the amount determined under this Part (before application of Parts IV and VI below); and
  - (c) in any other case, the amount calculated in accordance with the formula—

$$\frac{RV \times PF}{366}$$

where—

RV is the rateable value shown in the old entry; and

PF has the same meaning as in regulation 9(1) above.

### **Splits – amount payable as rates**

13. Where lands and heritages to which this Part applies are shown in a split entry, the amount payable as rates in respect of those lands and heritages and a day in the relevant year shall, subject to regulation 14 and Parts IV and VI below, be calculated in accordance with the formula—

$$AD \times \frac{RV}{ORV}$$

where—

AD is the amount determined under regulation 7 above, or as the case may be this Part (before application of Parts IV and VI below) in respect of the lands and heritages shown in the relevant old entry and the day immediately prior to the effective date of the split entry;

RV is the rateable value shown in the split entry; and

ORV is the old rateable value, being the rateable value shown in the relevant old entry.

### **Changes in rateable value**

14.—(1) Where, subsequent to 1st April 2003, the rateable value of lands and heritages to which this Part applies is increased with effect from a day in the relevant year, the amount payable as rates

in respect of those lands and heritages and any day in the relevant year on or after that effective day shall, subject to Parts IV and VI below, be calculated in accordance with the formula—

$$AD + \frac{(IRV - RV) \times PF}{366}$$

where—

AD is the amount determined under regulation 12(1) or 13 above (before application of Parts IV and VI below) in respect of those lands and heritages and the day immediately prior to the effective day;

IRV is the increased rateable value of those lands and heritages;

RV is their rateable value immediately prior to the effective day; and

PF has the same meaning as in regulation 9(1) above.

(2) Where the rateable value of lands and heritages to which this Part applies is reduced with effect from a day in the relevant year, the amount payable as rates in respect of those lands and heritages and any day in the relevant year on or after that effective day shall, subject to Parts IV and VI below, be calculated in accordance with the formula—

$$AD \times \frac{RRV}{RV}$$

where—

AD and RV have the same meanings as in paragraph (1) above; and

RRV is the reduced rateable value of those lands and heritages.

(3) Where the rateable value of lands and heritages is changed for a second or subsequent time whilst this Part applies to them, paragraphs (1) and (2) above shall have effect with the substitution, in the definition of “AD” in paragraph (1), for the words “regulation 12(1) or 13 above” of the words “this paragraph or paragraph (2) below”.

## PART IV

### LANDS AND HERITAGES WITH RATEABLE VALUE OF £10,000 OR LESS

#### Amount payable as rates

**15.**—(1) This regulation applies to lands and heritages on a day in the relevant year where they have a rateable value of £10,000 or less and they are not lands and heritages which have their rateable value prescribed in an order made under section 6 of the 1975 Act.

(2) Subject to paragraphs (3) and (4) below, where the cumulative rateable value of lands and heritages to which this Part applies falls within one of the ranges specified in column 1 (cumulative rateable value range) of the table below, the amount of rates payable shall be reduced by the percentage of rate relief specified in the corresponding entry in column 2 (percentage of rate relief).

Cumulative rateable value range	Percentage of rate relief
Less than £3,000	50%
£3,000 or above but under £4,000	40%
£4,000 or above but under £5,000	30%
£5,000 or above but under £6,000	20%

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Cumulative rateable value range	Percentage of rate relief
£6,000 or above but under £7,000	10%

(3) Where the amount of rates payable in respect of any lands and heritages to which this Part applies falls to be reduced by virtue of any of the enactments listed at regulations 17(1)(a) and 18 (1) (a) below or determined in accordance with section 6(1) and 7B(2) of the 1956 Act then the amount of rate relief shall be restricted to 5% in respect of the rates payable as so reduced or, as the case may be, determined.

(4) Where the amount of rates payable in respect of any lands and heritages to which this Part applies falls to be reduced or remitted by virtue of a rating authority exercising any of the powers listed at regulation 19(b) below, and paragraph (3) above does not apply, then the percentage of rate relief as calculated under paragraph (2) above shall be applied to the rates payable as so reduced or, as the case may be, remitted.

(5) Where the cumulative rateable value is £7,000 or above but includes lands and heritages which are valued at £10,000 or under then the amount of rate relief for any such lands and heritages that are valued at £10,000 or under shall be 5%.

(6) Where this regulation has effect, the amount of rates payable shall be determined by applying the rate relief calculated in accordance with this regulation to the amount determined under Part II or Part III above, as the case may be.

(7) For the purposes of this regulation the “cumulative rateable value” is the total rateable value of all lands and heritages occupied by an individual ratepayer in Scotland.

## PART V

### LANDS AND HERITAGES WITH RATEABLE VALUE OF MORE THAN £25,000

#### Amount payable as rates

16.—(1) This regulation applies to lands and heritages on any day in the relevant year when—

- (a) they have a rateable value exceeding £25,000; and
- (b) they are not lands and heritages—
  - (i) to which Part II or Part III above applies; or
  - (ii) which have their rateable value prescribed in an order made under section 6 of the 1975 Act.

(2) The amount payable as rates in respect of lands and heritages and a day on which this regulation applies to them shall be calculated in accordance with the formula—

$$ARP = \frac{RV (PR + S)}{366}$$

where—

- ARP is the amount of rates payable;
- RV is the rateable value of the lands and heritages on that day;
- PR is the poundage rate of 0.478; and
- S is the additional factor of 0.006.



## PART VI

### REDUCTIONS, REMISSIONS AND EXEMPTIONS

#### Charitable and other reductions

17.—(1) This regulation has effect for determining the amount payable as rates in respect of lands and heritages and a day in the relevant year where—

- (a) that amount falls to be reduced by virtue of one or more of the following enactments:—
  - (i) section 4(2) of the 1962 Act(12);
  - (ii) section 24(3) of the 1966 Act(13);
  - (iii) the Rating (Disabled Persons) Act 1978(14); and
  - (iv) paragraphs 3 and 3A(15) of Schedule 2 to the 1997 Act;
- (b) regulation 7 or Part III above has effect as regards those lands and heritages and that day; and
- (c) regulation 18 below does not have effect.

(2) Where this regulation has effect, the amount payable shall be determined by applying the enactments referred to in paragraph (1)(a) above to the amount determined under regulation 7 or Part III above, as the case may be, in the same manner as those enactments are applied to the full amount payable as rates in respect of lands and heritages and a day in the case where neither regulation 7 nor Part III above has effect.

#### Partially unoccupied lands and heritages

18.—(1) This regulation has effect for determining the amount payable as rates in respect of lands and heritages and a day in the relevant year where—

- (a) on that day those lands and heritages are subject to an apportionment under section 24A of the 1966 Act(16); and
- (b) regulation 7 or Part III above has effect as regards those lands and heritages and that day.

(2) Where this regulation has effect, the amount payable shall, subject to paragraph (3) below, be calculated in accordance with the formula—

$$A \times \frac{ARV}{RV}$$

where—

A is the amount for the day determined under regulation 7 or Part III above, as the case may be;

ARV is the applicable rateable value, being the rateable value treated for rating purposes as the rateable value of the lands and heritages in terms of subsection (2), or as the case may be subsection (4), of section 24A of the 1966 Act; and

RV is the rateable value shown in the roll for those lands and heritages.

(3) Where—

(12) Section 4(2) was amended by the Local Government (Miscellaneous Provisions) (Scotland) Act 1981 (c. 23), section 5(a) and Schedule 4, the Local Government and Planning (Scotland) Act 1982 (c. 43), section 5(1)(a) and the Local Government Finance Act 1988 (c. 41), Schedule 12, paragraph 7.

(13) Section 24 was substituted by the 1994 Act, section 154.

(14) 1978 c. 40.

(15) Paragraph 3 was amended and paragraph 3A was inserted by sections 28 and 29 respectively of the [Local Government in Scotland Act 2003 asp 1](#).

(16) Section 24A was inserted by the 1994 Act, section 155.

- (a) this regulation has effect as regards lands and heritages and a day; and
- (b) the amount payable as rates in respect of those lands and heritages and that day falls to be reduced by virtue of an enactment referred to in paragraph (1)(a)(i), (iii) or (iv) of regulation 17 above,

the amount payable shall be determined in accordance with paragraph (2) of that regulation, but as if for the words “regulation 7 or Part III above, as the case may be,” in that paragraph there were substituted the words “regulation 18(2) below”.

### **Exemptions and discretionary reductions and remissions**

#### **19. Nothing in these Regulations—**

- (a) shall require rates to be paid in respect of lands and heritages and a day where those lands and heritages are under any enactment entirely exempt from rates for that day; or
- (b) shall prejudice the power of a rating authority to grant a reduction or remission of rates under section 4(5) of the 1962 Act<sup>(17)</sup>, section 25A of the 1966 Act<sup>(18)</sup> or paragraph 4 of Schedule 2 to the 1997 Act<sup>(19)</sup>.

## PART VII REVOCATION

### **Revocation**

**20.—**(1) Subject to paragraph (2) below, the 2002 Regulations are hereby revoked.

(2) Nothing in paragraph (1) above shall affect the continuing operation of the 2002 Regulations as regards any day prior to 1st April 2003.

St Andrew’s House, Edinburgh  
10th March 2003

*ANDREW P KERR*  
A member of the Scottish Executive

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<sup>(17)</sup> Section 4(5) was amended by the Local Government and Planning (Scotland) Act 1982, section 5(1)(b), the 1994 Act, Schedule 13, paragraph 57 and the Local Government and Rating Act 1997, Schedule 3, paragraph 2(a).

<sup>(18)</sup> Section 25A was inserted by the 1994 Act, section 156.

<sup>(19)</sup> Paragraph 4 was amended by section 28 of the [Local Government in Scotland Act 2003 asp 1](#).

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations make provision as to the amount payable in certain circumstances as non-domestic rates in respect of property in Scotland. They apply only to financial year 2003-2004 (“the relevant year”).

Part I makes provision as to citation, commencement and interpretation.

Part II deals with amounts payable in respect of property which is shown in the valuation roll as at 1st April 2003. The Part only applies where certain provisions of the Non-Domestic Rates (Levying) (Scotland) Regulations 2002 (“the 2002 Regulations”) apply to the property as regards 31st March 2003. The Part ceases to apply to property if and when it becomes the subject of a merged, split or reorganised entry in the valuation roll taking effect during the relevant year (regulation 6). The amount payable as rates is calculated in accordance with regulation 7. For every day of the relevant year, the notional rates liability for a property (essentially, the full amount ordinarily payable as rates) (regulation 8) must be compared against the amount payable as rates for that property. Regulation 9 specifies how the amount of rates payable are to be recalculated in cases where the rateable value of property changes during the relevant year. Regulation 10 specifies how the amount of rates payable are to be recalculated in cases where the rateable value of the property is reduced on 1st April 2003.

Part III makes provision for the situation where property is shown in a merged, split or reorganised entry in the valuation roll which takes effect during the relevant year. If the amount of rates payable in respect of any component of the property shown in the new entry was being determined under the 2002 Regulations or under these Regulations immediately prior to that entry taking effect, then Part III applies to determine the amount payable in respect of that property for the rest of the year (regulation 11). That amount is calculated by multiplying or apportioning, as the case may be, the amount or amounts payable immediately prior to the effective date of the new entry in respect of the property affected by the new entry (regulations 12 and 13). Regulation 14 provides for amounts payable to be recalculated if there is a change in the rateable value of property whilst Part III applies to it.

Part IV provides for a new general reduction in rates for properties with a rateable value of £10,000 or less. Regulation 15 provides for a reduction on a sliding scale of between 10 per cent and 50 per cent on the rates payable where the cumulative rateable value of the property occupied by the ratepayer is less than £7,000. Where the amount of rates payable in respect of property to which this Part applies falls to be reduced by virtue of any of the enactments listed at regulations 17(1)(a) and 18(1)(a) or is determined in accordance with sections 6(1) and 7B(2) of the Valuation and Rating (Scotland) Act 1956 then the reduction on the rates payable is restricted to 5 per cent. Where the cumulative value of the property occupied by the ratepayer is £7,000 or above but includes lands and heritages which are valued at £10,000 or under then the reduction on the rates payable on the said lands and heritages is restricted to 5 per cent. Where Regulation 15 has effect, the reduction in the rates payable shall be applied to the amount payable as determined under Part II or III.

Part V provides for a new general increase in rates for properties with a rateable value of more than £25,000.

Part VI deals with reductions, remissions and exemptions. Regulations 17 and 18 provide for reductions under other enactments to apply in cases where the amount payable is determined under Part II, III in the same way as they apply in cases where these Regulations do not have effect. Nothing in the Regulations requires the payment of rates on property which is entirely exempt from

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rates under any other enactment, or prejudices the power of a rating authority to grant discretionary reductions or remissions (regulation 19).

Part VII revokes the 2002 Regulations.