

## EXECUTIVE NOTE

### THE NON-DOMESTIC RATES (LEVYING) (SCOTLAND) (NO. 3) REGULATIONS 2010

#### SSI 2010/441

The above instrument is made in exercise of the powers conferred by section 153 of the Local Government etc. (Scotland) Act 1994 and by all other enabling powers. The instrument is subject to the negative resolution procedure.

#### Background

The instrument makes provision from 1 April 2011, for a stepped poundage supplement which will apply to the largest retail properties in Scotland from 1 April 2011, as announced in the Draft Budget on 17 November 2010.

#### Large Retail Supplement

This instrument provides for a stepped retail poundage supplement, which will apply to large retail properties instead of the 0.7p large business supplement contained in the Non-Domestic Rates (Levyng) (Scotland) (No. 2) Regulations 2010.

The large retail supplement will vary from 2.5p to 15p in the pound for the largest retail properties, with a rateable value exceeding £750,000, as shown below. This supplement will contribute towards the cost of supporting front line services provided by councils and the continuation of the Small Business Bonus Scheme in 2011-12.

<b>Rateable value range</b>	<b>Supplement in the pound</b>
More than £750,000 but not exceeding £1,000,000	2.5p
More than £1,000,000 but not exceeding £1,099,999	5p
More than £1,099,999 but not exceeding £1,265,000	10p
More than £1,265,000 but not exceeding £2,140,000	12p
More than £2,140,000	15p

#### Consultation

There is no statutory requirement to consult separately on these Regulations. The new large retail supplement was announced on 17 November 2010 in the 2011-12 Draft Budget, which is open to consultation.

## **Business and Regulatory Impact Assessment**

As these Regulations will impact on less than 0.1% of the non-domestic properties in Scotland we have concluded that a full Business and Regulatory Impact Assessment is not proportionate. The present instrument will not impose new regulatory burdens on the vast majority of businesses, charities or the voluntary sector.

## **Financial Effects**

The large retail supplement will raise around £30 million in 2011-12. It is estimated that over three quarters of that amount will be raised from large supermarket stores. The present instrument has no additional financial effects on the Scottish Government, local government or business.

The estimate of non-domestic rate income included in the Draft Budget on 17 November 2010 takes account of the estimated additional income from this supplement.

Local Government Division  
9 December 2010