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SCOTTISH STATUTORY INSTRUMENTS

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**2021 No. 65**

**RATING AND VALUATION**

**The Non-Domestic Rates (Levying and Miscellaneous  
Amendments) (Scotland) Regulations 2021**

<i>Made</i>	- - - -	<i>4th February 2021</i>
<i>Laid before the Scottish Parliament</i>	- - - -	<i>8th February 2021</i>
<i>Coming into force</i>	- -	<i>1st April 2021</i>

The Scottish Ministers make the following Regulations in exercise of the power conferred by section 153 of the Local Government etc. (Scotland) Act 1994<sup>(1)</sup> and all other powers enabling them to do so.

**PART 1**

**General**

**Citation and commencement**

1. These Regulations may be cited as the Non-Domestic Rates (Levying and Miscellaneous Amendments) (Scotland) Regulations 2021 and come into force on 1 April 2021.

**PART 2**

**Levying Regulations**

**Interpretation of Part 2**

2. In this Part—

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(1) 1994 c.39. Section 153 was amended by section 67 of the Climate Change (Scotland) Act 2009 (asp 12), section 15 of the Non-Domestic Rates (Scotland) Act 2020 (asp 4) and paragraph 7 of schedule 4 of the Coronavirus (Scotland) (No. 2) Act 2020 (asp 10). 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).

“the 1962 Act” means the Local Government (Financial Provisions etc.) (Scotland) Act 1962(2),

“the 1966 Act” means the Local Government (Scotland) Act 1966(3),

“the 1975 Act” means the Local Government (Scotland) Act 1975(4),

“the 1997 Act” means the Local Government and Rating Act 1997(5),

“cumulative rateable value” means the total rateable value of all lands and heritages which an individual ratepayer is either—

(a) entitled to occupy, whether they are occupied or not, or

(b) actually in occupation of, whether entitled to or not,

or both, but excluding the rateable value of any such lands and heritages in respect of which the rates payable are being remitted by virtue of regulation 2 of the Non-Domestic Rates (Reverse Vending Machine Relief) (Scotland) Regulations 2020(6),

“lands and heritages” has the meaning prescribed by and under section 42 of the Lands Valuation (Scotland) Act 1854(7),

“part residential subjects” has the meaning prescribed by and under section 99(1) of the Local Government Finance Act 1992(8),

“payday lending” means, in the course of a business involving lending, the making of, or advertising the availability of, loan agreements in relation to which the credit provided is to be repaid or substantially repaid over a period that does not exceed 12 months and being loan agreements with an annual percentage rate of interest equal to or exceeding 100%,

“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(9), and

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

### **Amount payable as rates – lands and heritages with rateable value of £18,000 or less**

3.—(1) Subject to paragraph (5), this regulation grants relief to a person who is liable to pay rates in respect of lands and heritages on a day in the relevant year where they have—

(a) a rateable value of £18,000 or less, and

(b) a cumulative rateable value not exceeding £35,000.

(2) The relevant year for the purposes of this regulation is the financial year 2021-2022.

(2) 1962 c.9 (10 & 11 Eliz. 2).

(3) 1966 c.51.

(4) 1975 c.30.

(5) 1997 c.29.

(6) S.S.I 2020/36.

(7) 1854 c.91 (17 & 18 Vict.). Section 42 was amended by the Statute Law Revision Act 1892 (c.19) and section 152(2) of the Local Government etc. (Scotland) Act 1994.

(8) 1992 c.14.

(9) Section 7B was inserted by section 110(2) of the Local Government Finance Act 1992 (c.14) and amended by paragraph 100(4) of schedule 13 of the Local Government etc. (Scotland) Act 1994.

(10) Section 1 was amended by section 34 and schedule 6 of the Abolition of Domestic Rates etc. (Scotland) Act 1987 (c.47), paragraph 1 of schedule 14 of the Local Government etc. (Scotland) Act 1994, paragraph 1 of schedule 4 of the Local Government and Rating Act 1997 (c.29) and section 7 of the Non-Domestic Rates (Scotland) Act 2020.

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

<i>Cumulative rateable value range</i>	<i>Percentage of rate relief</i>
£15,000 or less	100%
£15,001 to £18,000	25%
£18,001 to £35,000	25% on each individual property with a rateable value of £18,000 or less

(4) The amount of rate relief calculated under paragraph (3) is to be reduced by the amount of any—

- (a) reduction by virtue of one or more of the following enactments—
  - (i) section 4(2) of the 1962 Act(11),
  - (ii) section 4(5)(c) of the 1962 Act(12),
  - (iii) section 24A of the 1966 Act(13),
  - (iv) section 4 or 5 of the Rating (Disabled Persons) Act 1978(14),
  - (v) paragraph 3(1) of schedule 2 of the 1997 Act(15), or
- (b) determination in accordance with sections 6(1) and 7B(2) of the Valuation and Rating (Scotland) Act 1956(16),

but only to the extent that the amount of such rate relief is reduced to nil.

- (5) No rate relief is granted in consequence of paragraph (1)—
  - (a) if the rates payable in respect of the lands and heritages are being reduced by virtue of section 24(3) (unoccupied lands and heritages) of the 1966 Act(17), or
  - (b) in respect of lands and heritages used for payday lending.

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- (11) Section 4(2) was amended by sections 5(a)(i) and 13 and schedule 4 of the Local Government (Miscellaneous Provisions) (Scotland) Act 1981 (c.23), section 5(1)(a) of the Local Government and Planning (Scotland) Act 1982 (c.43), section 137 and paragraph 7 of schedule 12 of the Local Government Finance Act 1988 (c.41) and section 98(2) of the Charities and Trustee Investment (Scotland) Act 2005 (asp 10).
  - (12) Section 4(5) was amended by paragraph 57 of schedule 13 of the Local Government etc. (Scotland) Act 1994, paragraph 2(a) of schedule 3 of the Local Government and Rating Act 1997 (c.29) and section 98(3) of the Charities and Trustee Investment (Scotland) Act 2005 (asp 10).
  - (13) Section 24A was inserted by section 155 of the Local Government etc. (Scotland) Act 1994 and amended by section 1(3) of the Local Government Finance (Unoccupied Properties etc.) (Scotland) Act 2012 (asp 11) and section 19 of the Non-Domestic Rates (Scotland) Act 2020, though section 19 is not yet in force.
  - (14) 1978 c.40. Section 4 was amended by section 86(1) and paragraph 49(c) of schedule 10 of the Social Security Act 1986 (c.50) and paragraph 48 of schedule 2 of the Social Security (Consequential Provisions) Act 1992 (c.6). Section 5 was amended by section 5(1)(a), (b) and (c) of the Rating and Valuation (Amendment) (Scotland) Act 1984 (c.31).
  - (15) Paragraph 3 was amended by section 29 of the Local Government in Scotland Act 2003 (asp 1), paragraph 25 of schedule 8 of the Postal Services Act 2000 (c.26) and paragraph 148 of schedule 12 of the Postal Services Act 2011 (c.5).
  - (16) 1956 c.60. Section 6(1) was repealed in part by section 34 and schedule 6 of the Abolition of Domestic Rates Etc. (Scotland) Act 1987 (c.47) and amended by section 145 and paragraph 3 of schedule 6 of the Local Government and Housing Act 1989 (c.42). Section 7B(2) was inserted by section 145 and paragraph 4 of schedule 6 of the Local Government and Housing Act 1989.
  - (17) Section 24(3) was substituted by section 154 of the Local Government etc. (Scotland) Act 1994 and amended by section 1(2) of the Local Government Finance (Unoccupied Properties etc.) (Scotland) Act 2012. Section 24 is repealed by section 19(2) of the Non-Domestic Rates (Scotland) Act 2020, though that section is not yet in force.

**Amount payable as rates – lands and heritages with rateable value exceeding £51,000, but not exceeding £95,000**

4.—(1) This regulation applies to lands and heritages on any day in the relevant year when they have a rateable value exceeding £51,000, but not exceeding £95,000.

(2) The relevant year for the purposes of this regulation is the financial year 2021-2022.

(3) The additional amount payable as rates under this Part of these Regulations in respect of lands and heritages for a day in the relevant year on which this regulation applies to them is to be calculated in accordance with the formula—

$$\text{AARP} = \frac{(\text{RV} \times \text{S})}{\text{D}}$$

Where—

AARP is the additional amount of rates payable,

RV is the rateable value of the lands and heritages on that day,

S is the additional factor of 0.013, and

D is the number of days in the relevant year.

(4) No additional amount is payable under paragraph (3) for—

(a) a day on which relief under regulation 7 of the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2017(18) has effect in respect of the lands and heritages in question, or

(b) a day on which—

(i) regulation 10 of the Non-Domestic Rates (Relief for New and Improved Properties) (Scotland) Regulations 2019(19) grants relief in respect of the lands and heritages in question, and

(ii) the rateable value of those lands and heritages, minus the reference amount within the meaning of paragraph (2)(b) of that regulation, does not exceed £51,000.

**Amount payable as rates – lands and heritages with rateable value exceeding £95,000**

5.—(1) This regulation applies to lands and heritages on any day in the relevant year when they have a rateable value exceeding £95,000.

(2) The relevant year for the purposes of this regulation is the financial year 2021-2022.

(3) The additional amount payable as rates under this Part of these Regulations in respect of lands and heritages for a day in the relevant year on which this regulation applies to them is to be calculated in accordance with the formula—

$$\text{AARP} = \frac{(\text{RV} \times \text{S})}{\text{D}}$$

Where—

AARP is the additional amount of rates payable,

RV is the rateable value of the lands and heritages on that day,

S is the additional factor of 0.026, and

D is the number of days in the relevant year.

(18) S.S.I. 2017/85.

(19) S.S.I. 2019/40. Regulation 10 was amended by S.S.I. 2019/116 and S.S.I. 2020/40.

(4) No additional amount is payable under paragraph (3) for a day on which relief under regulation 7 of the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2017 has effect in respect of the lands and heritages in question.

(5) Paragraph (6) applies for a day on which—

- (a) regulation 10 of the Non-Domestic Rates (Relief for New and Improved Properties) (Scotland) Regulations 2019 grants relief in respect of the lands and heritages in question, and
- (b) the rateable value of those lands and heritages, minus the reference amount within the meaning of paragraph (2)(b) of that regulation, does not exceed £95,000.

(6) If the rateable value minus the reference amount, as described in paragraph (5)(b)—

- (a) does not exceed £95,000, but exceeds £51,000, the additional amount payable under paragraph (3) is to be calculated using an additional factor of 0.013 instead of 0.026,
- (b) does not exceed £51,000, no additional amount is payable under paragraph (3).

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

6. Nothing in this Part of these Regulations—

- (a) requires rates to be paid in respect of lands and heritages for any day where those lands and heritages are under any enactment entirely exempt from rates for that day, or
- (b) prejudices the power of a rating authority to grant a reduction or remission of rates under section 3A or 4(5) of the 1962 Act<sup>(20)</sup> or paragraph 4 of schedule 2 of the 1997 Act<sup>(21)</sup>.

### **Revocation and saving**

7.—(1) Subject to paragraph (2), the Non-Domestic Rates (Levying) (Scotland) Regulations 2020<sup>(22)</sup> are revoked.

(2) Nothing in paragraph (1) affects the continuing operation of the Non-Domestic Rates (Levying) (Scotland) Regulations 2020 as regards the financial year 2020-2021.

## **PART 3**

### **Miscellaneous Non-Domestic Rating Amendments**

#### **Amendment of the Non-Domestic Rates (Telecommunication Installations) (Scotland) Regulations 2016**

8.—(1) The Non-Domestic Rates (Telecommunication Installations) (Scotland) Regulations 2016<sup>(23)</sup> are amended as follows.

(2) In regulation 2 (interpretation), for paragraph (a) of the entry for “Mobile Masts Pilot Area” substitute—

- “(a) described by grid co-ordinates in a document entitled “Non-Domestic Rates Relief – Mobile Masts Pilot Extension – Eligible Grid References” and dated 29 January 2021,”.

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<sup>(20)</sup> Section 3A was inserted by section 140(1) of the Community Empowerment (Scotland) Act 2015 (asp 6). Section 4(5) was amended by paragraph 57 of schedule 13 of the Local Government etc. (Scotland) Act 1994 (c.39), paragraph 2(a) of schedule 3 of the Local Government and Rating Act 1997 (c.29) and section 98(3) of the Charities and Trustee Investment (Scotland) Act 2005 (asp 10).

<sup>(21)</sup> Paragraph 4 was amended by section 28(4) of the Local Government in Scotland Act 2003 (asp 1).

<sup>(22)</sup> S.S.I. 2020/39.

<sup>(23)</sup> S.S.I. 2016/122, which was amended by S.S.I. 2018/63, S.S.I. 2019/41 and S.S.I. 2020/41.

(3) In regulation 3 (amount payable as rates – lands and heritages comprising tower or mast sites), for “1 April 2020” substitute “1 April 2021”.

#### **Amendment of the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2017**

**9.**—(1) The Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2017(**24**) are amended as follows.

(2) In regulation 2 (interpretation – general)—

(a) for the definition of “the 2020 Regulations” substitute—

““the 2021 Regulations” means the Non-Domestic Rates (Levying and Miscellaneous Amendments) (Scotland) Regulations 2021(**25**),” and

(b) in the definition of “the relevant year”, for “2020” substitute “2021”.

(3) In regulation 9 (transitional limit), in each formula in paragraph (1), for “1.747” substitute “1.965”.

(4) In regulation 11 (changes in rateable value) in the heading, paragraph (1) and paragraph (2), for “2020” substitute “2021”.

(5) In regulation 12 (charitable and other reductions), in paragraph (1)(a)(v) for “2020” substitute “2021”.

#### **Amendment of the Non-Domestic Rates (Day Nursery Relief) (Scotland) Regulations 2018**

**10.**—(1) The Non-Domestic Rates (Day Nursery Relief) (Scotland) Regulations 2018(**26**) are amended as follows.

(2) In regulation 3 (amount payable as rates – lands and heritages used as a day nursery), for “31st March 2021” substitute “30 June 2023”.

#### **Amendment of the Non-Domestic Rating (Unoccupied Property) (Scotland) Regulations 2018**

**11.**—(1) The Non-Domestic Rating (Unoccupied Property) (Scotland) Regulations 2018(**27**) are amended as follows.

(2) In regulation 4 (lands and heritages to be treated as unoccupied)—

(a) in paragraph (a)(ii) for “£65000;” substitute “£95,000;”, and

(b) in paragraph (b)(iii) for “£65000;” substitute “£95,000;”.

#### **Amendment of the Non-Domestic Rates (Relief for New and Improved Properties) (Scotland) Regulations 2019**

**12.**—(1) The Non-Domestic Rates (Relief for New and Improved Properties) (Scotland) Regulations 2019(**28**) are amended as follows.

(2) In regulation 2 (interpretation), in the definition of “the relevant year”, for “2020-21” substitute “2021-22”.

(24) S.S.I. 2017/85, which was amended by S.S.I. 2018/76, S.S.I. 2019/44, S.S.I. 2020/42, S.S.I. 2020/101, S.S.I. 2020/230 and S.S.I. 2020/391.

(25) S.S.I. 2021/65.

(26) S.S.I. 2018/65, which was amended by S.S.I. 2018/74 and S.S.I. 2020/391.

(27) S.S.I. 2018/77, which was amended by S.S.I. 2020/43.

(28) S.S.I. 2019/40, which was amended by S.S.I. 2019/116 and S.S.I. 2020/40.

(3) In regulation 7(e) (availability of relief – further works to lands and heritages granted relief under regulation 4 or 6), omit sub-paragraph (ii) and “or” preceding it.

(4) In regulation 9(2) (availability of relief – lands and heritages in respect of which a relevant increase has been made within the previous 12 months)—

(a) in sub-paragraph (b) for “1 April 2019” substitute “1 April 2020”, and

(b) omit sub-paragraph (d)(ii) and “or” preceding it.

(5) In regulation 10(5) (relief granted – lands and heritages in respect of which a relevant increase has been made within the previous 12 months)—

(a) in sub-paragraph (a)—

(i) for “1.527” substitute “1.965”, and

(ii) for the definition of “PF” substitute—

“PF is the poundage figure of—

(i) 0.516 where ARV exceeds £95,000,

(ii) 0.503 where ARV exceeds £51,000, but does not exceed £95,000, or

(iii) 0.49 in any other case,” and

(b) in sub-paragraph (b) for “1.747” substitute “1.965”.

(6) In regulation 11(3) (additional relief granted – lands and heritages in respect of which a relevant increase has been made within the previous 12 months), for sub-paragraph (e) substitute—

“(e) regulation 3 of the Non-Domestic Rates (Levy and Miscellaneous Amendments) (Scotland) Regulations 2021 (the Small Business Bonus Scheme).”.

St Andrew’s House,  
Edinburgh  
4th February 2021

*KATE FORBES*  
A member of the Scottish Government

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## EXPLANATORY NOTE

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

These Regulations make provision for the amount payable in certain circumstances as non-domestic rates in respect of non-domestic subjects in Scotland. The non-domestic rate for subjects not covered by these Regulations is fixed by Order made under the Local Government (Scotland) Act 1975. For the financial year 2021-2022, the rate is fixed by the Non-Domestic Rate (Scotland) Order 2021.

These Regulations also make miscellaneous amendments to the Non-Domestic Rates (Telecommunication Installations) (Scotland) Regulations 2016, the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2017, the Non-Domestic Rates (Day Nursery Relief) (Scotland) Regulations 2018 and the Non-Domestic Rating (Unoccupied Property) (Scotland) Regulations 2018.

Part 1 provides the title of these Regulations and for their commencement.

Part 2 contains provisions in respect of the levying of non-domestic rates.

Regulation 3 provides for the general reduction in rates for a ratepayer of non-domestic subjects with a rateable value of £18,000 or less. Regulation 3(3) sets out the reduction of either 25% or 100% depending on the value of the subjects.

Regulation 3(4) provides for a reduction in rate relief (calculated in accordance with regulation 3(3)) if the enactments listed in regulation 3(4)(a) or (b) already provide for a reduction or determination. Regulation 3(5) provides that no rate relief is granted in respect of lands and heritages that are receiving relief on account of being unoccupied or are used for payday lending.

Regulation 4 provides a formula for the additional amount payable as rates for lands and heritages with a rateable value exceeding £51,000, but not exceeding £95,000. Regulation 5 provides a formula for the additional amount payable as rates for lands and heritages with a rateable value exceeding £95,000.

Regulations 3 to 5 apply to the financial year 2021-2022.

Regulation 6 allows for exemptions and discretionary reductions.

The Non-Domestic Rates (Levying) (Scotland) Regulations 2020 are revoked by regulation 7, with a saving provision in respect of the financial year 2020-2021.

Part 3 contains miscellaneous amendments in respect of Non-Domestic Rating Regulations.

Regulation 8 amends the Non-Domestic Rates (Telecommunication Installations) (Scotland) Regulations 2016 (“the 2016 Regulations”). Regulation 8(2) amends a reference to a document in the definition of a “Mobile Masts Pilot Area” in the 2016 Regulations. These areas are either shown in a specified document with grid coordinates or delineated on three maps named in the 2016 Regulations. A new document is being referred to.

Regulation 8(3) provides relief for areas shown in the new document from the 2021-22 year, with the 2016 Regulations continuing that relief, if other qualification conditions are met, until the end of the 2028-29 year.

The document and maps are available for inspection online at <https://www.gov.scot/publications/4g-infill-programme-non-domestic-rates-relief-mobile-masts/>.

Regulation 9 amends the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2017. Paragraph (2) updates a reference to other Regulations and to the definition of “the relevant year”.



The relevant year becomes the financial year 2021-22. Paragraph (3) updates a figure used to calculate entitlement to transitional relief and its maximum amount.

Regulation 10 amends the Non-Domestic Rates (Day Nursery Relief) (Scotland) Regulations 2018 to extend 100% relief from business rates in respect of lands and heritages until 30 June 2023, if they are used as a day nursery and a new entry is or was made on the valuation roll on or after 1st April 2018.

Regulation 11 amends the Non-Domestic Rating (Unoccupied Property) (Scotland) Regulations 2018 to increase the upper threshold of the rateable value of lands and heritages for the relief known as Fresh Start relief from £65,000 to £95,000.

Regulation 12 amends the Non-Domestic Rates (Relief for New and Improved Properties) (Scotland) Regulations 2019. Paragraph (2) provides that the Regulations apply, as amended, for the financial year beginning on 1 April 2021. Paragraph (3) and paragraph (4)(b) remove a restriction on relief, in cases which meet certain qualifying conditions, where there is also an increase in rateable value. Paragraph (4)(a) adjusts a reference to a date and year in consequence. Paragraph (5) amends figures relevant to calculations so that they reflect the rates used to calculate non-domestic rating liability in the 2021-22 financial year. Paragraph (6) updates a reference to other Regulations.