



Finance and Central Services Department  
Local Government Finance & Local Funding Division

Victoria Quay  
Edinburgh EH6 6QQ

**Finance Circular No. 3/2005**  
**By E-Mail**

Chief Executives, Scottish Local Authorities

Copy to: Directors of Finance  
Heads of Revenue  
COSLA  
Scottish Assessors Association

Telephone: 0131-244 7012  
Fax: 0131-244 7020  
Nikola.plunkett@scotland.gsi.gov.uk  
<http://www.scotland.gov.uk>

Your ref:  
Our ref: ZCB/4/2 2005

16 March 2005

---

Dear Sir/Madam

**LOCAL TAXATION: STATUTORY INSTRUMENTS**

I am writing to let you know about a number of non-domestic rating Statutory Instruments that have been laid before the Scottish Parliament and are either in force or will shortly come into force.

**INSTRUMENT IN FORCE - 1 MARCH 2005**

**The Valuation for Rating (Decapitalisation Rate) (Scotland) Regulations 2005 (SSI 2005/41)**

These Regulations prescribe the decapitalisation rate to be applied when valuing lands and heritages in Scotland in accordance with the contractor's basis for the purposes of any valuation roll which comes into force on or after 1st April 2005. The decapitalisation rate prescribed is 3.33 per cent in the case of certain MoD property, church property, healthcare property and educational establishments and 5 per cent in any other case.

**INSTRUMENTS COMING INTO FORCE ON 1 APRIL 2005**

**The Non-Domestic Rate (Scotland) Order 2005 (SSI 2005/14)**

This Order prescribes a rate of 46.1 pence in the pound as the non-domestic rate to be levied throughout Scotland in respect of the financial year 2005-2006.

**The Non-Domestic Rating (Rural Areas and Rateable Value Limits) (Scotland) Order 2005 (SSI 2005/103)**

This Order designates rural areas for rural rate relief and rate exemption purposes. Additionally, the Order prescribes maxima of rateable value, above which property will not be eligible for relief. £7,000 (for qualifying general stores, post offices and food stores) and £10,500 (for qualifying petrol

filling stations, hotels and public houses) are prescribed in relation to mandatory relief, and £14,000 in relation to discretionary relief.

### **The Non-Domestic Rating (Former Agricultural Buildings) (Scotland) Order 2005 (SSI 2005/104)**

This Order provides that £7,000 is the maximum rateable value of lands and heritages that can be eligible for 50 per cent mandatory rate relief on certain former agricultural premises.

### **The Valuation of Stud Farms (Scotland) Order 2005 (SSI 2005/105)**

This Order specifies that the derating “allowance” for qualifying stud farms can be no more than £3,500. The Order also makes provision for discretionary rate relief to be granted to certain lands and heritages where certain conditions apply. This Order prescribes that the rateable value threshold for this purpose is £7,000.

### **The Non-Domestic Rates (Levy) (Scotland) Regulations 2005 (SSI 2005/126)**

These Regulations makes provision for transitional arrangements and the Small Business Rates Relief Scheme for the 2005-06 financial year.

### **The Non-Domestic Rates (Valuation of Utilities) (Scotland) Order 2005 (SSI 2005/127)**

This Order puts in place a new regime for the valuation of certain utilities whose values were previously prescribed in various orders made under section 6 of the Local Government (Scotland) Act 1975. This Order designates particular assessors to value the lands and heritages for each utility covered by the Order. The Order also provides that a valuation appeal committee constituted in relation to the area of the joint board or valuation authority which appointed the designated assessor may hear and determine appeals and complaints under the Valuation Acts in relation to assessments made by virtue of the Order.

### **The Draft Non-Domestic Rates (Valuation of Utilities) (Scotland) Revocation Order 2005**

This Order provides for the revocation of various orders made under Sections 6, 35 and 37(1) of the Local Government (Scotland) Act 1975. The revoked orders prescribed rateable values or formula for calculating rateable values for the gas, electricity, large docks and harbours, water and railway industries.

## **General**

A separate copy of this Circular has been sent by e-mail to your Director of Finance and Head of Revenue, COSLA and to Douglas Gillespie, Secretary of the Scottish Assessors Association. Copies of the Statutory Instruments will be available from the Stationery Office. All the Instruments with the exception of the draft Non-Domestic Rates (Valuation of Utilities) (Scotland) Revocation Order 2005 are currently available on the HMSO web page under Legislation at: [www.hmso.gov.uk/](http://www.hmso.gov.uk/). We have updated the business rates section of the Local Government Finance website [www.scotland.gov.uk/businessrates](http://www.scotland.gov.uk/businessrates) to provide links directly to these Instruments on the HMSO web pages.

If you have any queries relating to these Instruments please contact Carol Sibbald on 0131 244 7003 or e-mail Carol at [carol.sibbald@scotland.gsi.gov.uk](mailto:carol.sibbald@scotland.gsi.gov.uk)

Yours faithfully

Nikola Plunkett

NIKOLA PLUNKETT  
Local Taxation Team Leader

