



## SCOTTISH EXECUTIVE

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Finance and Central Services Department  
Local Government Finance & Performance Division

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### Finance Circular No. 2/2003

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The Chief Executives  
Scottish Local Authorities

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

Our ref: YCK/7/9 and ZCC/4/2

19 March 2003

Dear Sir/Madam

### LOCAL TAXATION: STATUTORY INSTRUMENTS

I am directed by the Scottish Ministers to advise you that a number of Statutory Instruments have been made and will come into force on **1<sup>st</sup> April 2003**.

#### **The Council Tax (Liability of Owners) (Scotland) Amendment Regulations 2003 (SSI 2003/137)**

These Regulations amend the earlier prescribed definition of houses in multiple occupation to include dwellings that were not originally constructed or subsequently adapted for use as a house in multiple occupation but are being used as such.

#### **The Council Tax (Supply of Information) (Scotland) Regulations 2003 (SSI 2003/147)**

These Regulations will provide councils with powers that allow them to supply relevant non-personal council tax information to any person who requests it. Non-personal information is information which cannot be attributed to any identifiable individuals either living or dead. In particular, councils will have to ensure that any information supplied does not identify specific names or addresses. In addition the Regulations allow councils to charge a prescribed fee of £500 for the supply of the information. The decision on whether or not to charge that fee will be at the discretion of the council. It is the intention of the Executive to issue guidance on non-personal council tax information shortly.

#### **The Council Tax (Discounts) (Scotland) Consolidation and Amendment Order 2003 (SSI 2003/176)**

This Order consolidates, with amendments, and revokes the provisions of the Council Tax (Discounts) (Scotland) Order 1992 and Orders amending that Order.

The principal changes to the 1992 Order (as amended) are that:

- (i) in article 4 the "disability working allowance" has been renamed the "disabled persons tax credit";
- (ii) in article 5 the gross earnings of apprentices have been updated in line with second adult rebate cases to £163 per week; and
- (iii) article 7 has been amended to reflect the fact that courses on nursing and midwifery are provided at Further and Higher Educational Institutions.

### **The Non-Domestic Rate (Scotland) Order 2003 (SSI 2003/123)**

This Order prescribes a rate of 47.8 pence in the pound as the non-domestic rate to be levied throughout Scotland in respect of financial year 2003-04.

### **The Non-Domestic Rating (Rural Areas and Rateable Value Limits) (Scotland) Amendment Order 2003 (SSI 2003/141)**

This Order further amends the Non-Domestic Rating (Rural Areas and Rateable Value Limits) (Scotland) Order 1997 to prescribe the maximum rateable value above which lands and heritages covered by the Non Domestic Rates (Petrol Filling Stations, Public Houses, Public Houses and Hotels) (Scotland) (Order) 2003 will not be eligible for mandatory relief at £9,000. In the case of any other lands and heritages - qualifying general store, qualifying food store and qualifying post office - the maximum rateable value is £6,000.

### **The Non-Domestic Rating (Former Agricultural Premises) (Scotland) Order 2003 (SSI 2003/142)**

Section 28 *Rate relief on former agricultural premises* of the Local Government in Scotland Act 2003 establishes, with effect from 1 April 2003, a 50 per cent mandatory rate relief scheme for lands and buildings used for non-agricultural purposes on what had previously been agricultural lands and buildings. This Order provides that £6,000 is the maximum rateable value of the lands and buildings that can be eligible for the 50 per cent mandatory rate relief.

### **The Valuation (Stud Farms) (Scotland) Order 2003 (SSI 2003/143)**

This Order increases the derating limit from £2,500 to £3,000. Section 28 *Rate relief on former agricultural premises* of the Local Government in Scotland Act 2003 provides for discretionary top-up relief to be granted to qualifying stud farms. This Order prescribes the maximum rateable value above which lands and heritages occupied by a qualifying stud farm will not be eligible for discretionary top-up relief at £6,000.

### **The Non-Domestic Rates (Levy) (Scotland) Regulations 2003 (SSI 2003/160)**

The 2003 Regulations roll forward the transitional rate relief policy introduced in 2000-01. For ratepayers currently in receipt of transitional relief, the amount of transitional relief they will receive in 2003-04 will be restricted to 25% in real terms of the amount of transitional relief received in 2000-01. Ratepayers who currently contribute to the transitional relief scheme will have their contribution in 2003-04 restricted to 25% in real terms of the amount contributed in 2000-01. The 2003 Regulations provide for changes in rateable values and for the treatment of property that is



formed as a result of splits, merger or reorganisation during the financial year 2003-04. The Regulations provide for a new general reduction in rates for properties with a rateable of £10,000 or less and for a 0.6p supplement on the poundage rate of 47.8p to be paid by ratepayers who occupy a property with a rateable value of more than £25,000.

A supply of the leaflet “Non-Domestic Rates Transitional Arrangements: 2003-04” providing details of the transitional scheme for 2003-04 will shortly be sent to all councils. The leaflet will shortly be available on the Scottish Executive’s website on [www.scotland.gov.uk](http://www.scotland.gov.uk) under “Publications”.

### **The Non-Domestic Rating (Petrol Filling Stations, Public Houses and Hotels) (Scotland) Order 2003 (SSI 2003/188)**

This Order extends the scope of the rural (village shop) rate relief scheme to qualifying petrol filling stations, public houses and hotels.

### **The Water Undertakings (Rateable Values) (Scotland) Order 2003 (SSI 2003/189)**

Part 3 of the Water Industry (Scotland) Act 2002 provides for the establishment of Scottish Water as the successor to the three water and sewerage authorities established by the Local Government etc. (Scotland) Act 1994. The 3 water authorities were East of Scotland Water Authority, North of Scotland Water Authority and West of Scotland Water Authority. Scottish Water took up rateable occupation of the lands and heritages previously occupied by the 3 water authorities with effect from 1 April 2002. The 2003 Order makes provision for the valuation for the financial year 2002-03 and the following two financial years of certain lands and heritages occupied by Scottish Water. The Order prescribes the rateable value of the prescribed class of lands and heritages for the financial year 2002-03 and the following two financial years at £32 million. The Order also apportions the figure of £32 million among local authorities.

### **General**

A separate copy of this Circular has been sent by e-mail to your Director of Finance, the Convention of Scottish Local Authorities and to William Somerville, Secretary of the Scottish Assessors Association. Copies of these Scottish Statutory Instruments will be available from The Stationery Office. The Instruments will also be available shortly on the HMSO web page under legislation at: [www.hmso.gov.uk/](http://www.hmso.gov.uk/).

Enquiries relating to the Council Tax Statutory Instruments should be directed to Wilma Smart, Area 3-J (North), Victoria Quay, Edinburgh, EH6 6QQ, (tel: 0131-244 7011). Enquiries relating to the Non Domestic Rates Statutory Instruments should be directed to Billy McKenzie, Area 3J (North), Victoria Quay, Edinburgh, EH6 6QQ, (tel: 0131-244 7051).

Yours faithfully



Ann Thomson