



The Scottish Parliament  
Pàrlamaid na h-Alba

## LOCAL GOVERNMENT AND REGENERATION COMMITTEE

### AGENDA

9th Meeting, 2016 (Session 4)

Wednesday 9 March 2016

The Committee will meet at 9.30 am in the Mary Fairfax Somerville Room (CR2).

1. **Decision on taking business in private:** The Committee will decide whether to take item 4 in private.
2. **Burial and Cremation (Scotland) Bill:** The Committee will consider the Bill at Stage 2 (Day 1).
3. **Subordinate legislation:** The Committee will consider the following negative instruments—

Non-Domestic Rate (Scotland) Order 2016 (SSI 2016/113);

Non-Domestic Rates (Levying) (Scotland) Regulations 2016 (SSI 2016/114);

Non-Domestic Rates (Enterprise Areas) (Scotland) Regulations 2016 (SSI 2016/119);

Non-Domestic Rates (Steel Sites) (Scotland) Regulations 2016 (SSI 2016/120);

Non-Domestic Rates (Renewable Energy Generation Relief) (Scotland) Amendment Regulations 2016 (SSI 2016/121);

Non-Domestic Rates (Telecommunication Installations) (Scotland) Regulations 2016 (SSI 2016/122);

Non-Domestic Rating (Unoccupied Property) (Scotland) Amendment Regulations 2016 (SSI 2016/124);

Town and Country Planning (General Permitted Development) (Scotland) Amendment Order 2016 (SSI 2016/126); and

Non-Domestic Rates (Telecommunications and Canals) (Scotland)  
Amendment Order 2016 (SSI 2016/129)

4. **Annual report:** The Committee will consider a draft annual report for the parliamentary year from 11 May 2015 to 23 March 2016.

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The papers for this meeting are as follows—

**Agenda item 3**

Paper by the Clerk

LGR/S4/16/9/1

**Agenda item 4**

PRIVATE PAPER

LGR/S4/16/9/2 (P)

**Local Government and Regeneration Committee**

**9<sup>th</sup> Meeting, 2016 (Session 4), Wednesday, 8 March 2016**

**Subordinate legislation**

**Introduction**

1. This paper seeks to inform members' consideration of the following negative statutory instruments—

[Non-Domestic Rate \(Scotland\) Order 2016 \(SSI 2016/113\)](#) (page 2);

[Non-Domestic Rates \(Levying\) \(Scotland\) Regulations 2016 \(SSI 2016/114\)](#) (page 2);

[Non-Domestic Rates \(Enterprise Areas\) \(Scotland\) Regulations 2016 \(SSI 2016/119\)](#) (page 3);

[Non-Domestic Rates \(Steel Sites\) \(Scotland\) Regulations 2016 \(SSI 2016/120\)](#) (page 4);

[Non-Domestic Rates \(Renewable Energy Generation Relief\) \(Scotland\) Amendment Regulations 2016 \(SSI 2016/121\)](#) (page 4);

[Non-Domestic Rates \(Telecommunication Installations\) \(Scotland\) Regulations 2016 \(SSI 2016/122\)](#) (page 5);

[Non-Domestic Rating \(Unoccupied Property\) \(Scotland\) Amendment Regulations 2016 \(SSI 2016/124\)](#) (page 5);

[Town and Country Planning \(General Permitted Development\) \(Scotland\) Amendment Order 2016 \(SSI 2016/126\)](#) (page 6); and

[Non-Domestic Rates \(Telecommunications and Canals\) \(Scotland\) Amendment Order 2016 \(SSI 2016/129\)](#) (page 7).

**Committee consideration**

2. Members will note that these are all negative instruments. This means that the instruments will come into force on the specified date unless a motion to annul them has been agreed to by the Parliament within the 40 day period.

3. The Delegated Powers and Law Reform Committee considered all these instruments – apart from SSIs 2016/121, 124 and 126 – at its meeting on 1 March 2016 and agreed that it had no comments to make.

4. The DPLRC will consider SSIs 2016/121, 124 and 126 at its meeting on 8 March. Following this meeting, the clerks will update the Committee on the DPLRC's consideration.

5. No motion to annul these instruments has been lodged.
6. **The Committee is invited to consider whether it has any comments to make in relation to these instruments.**

### **Non-Domestic Rate (Scotland) Order 2016 (SSI 2016/113)**

#### *Background*

7. The instrument was laid on 24 February 2016 and this Committee has been designated the lead committee. The lead committee must report on the instrument by 21 March 2016.

8. The above instrument is made in exercise of the powers conferred on the Scottish Ministers by sections 7B(1) and 37(1) of the Local Government etc. (Scotland) Act 1975 and by all other enabling powers.

#### *Policy objectives*

9. The instrument sets the non-domestic rate for 2016-17 at 48.4 pence. This is an increase from 48 pence for 2015-16.

#### *Consultation*

10. There is no statutory requirement to consult on these Regulations.

#### *Business and Regulatory Impact Assessment*

11. No Business and Regulatory Impact Assessment is required because the present instrument will not impose new regulatory burdens on businesses, charities or the voluntary sector compared with the Non-Domestic Rate (Scotland) Order 2015 which it replaces.

#### *Financial implications*

12. This instrument has no additional financial effects on the Scottish Government, local government or business.

### **Non-Domestic Rates (Levying) (Scotland) Regulations 2016 (SSI 2016/114)**

#### *Background*

13. The instrument was laid on 24 February 2016 and this Committee has been designated the lead committee. The lead committee must report on the instrument by 21 March 2016.

14. 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.

#### *Policy objectives*

15. The instrument makes provision for reductions in non-domestic rates as a result of the Small Business Bonus Scheme. It also provides for a poundage supplement on larger business properties with a rateable value in excess of £35,000. These reductions come into effect on from 1 April 2016.

*Consultation*

16. There is no statutory requirement to consult on these Regulations, however the changes were proposed as part of the draft Budget, which is a consultative process.

*Business and Regulatory Impact Assessment*

17. No Business and Regulatory Impact Assessment has been carried out.

*Financial implications*

18. The projected cost of the Small Business Bonus Scheme is estimated at around £179 million in 2016-7. The Scottish Government's contribution to the cost of the Small Business Bonus Scheme will be offset to a greater extent than previously by the income raised from the poundage supplement. It is estimated that the large business supplement of 2.6p in the pound for 2016-17 will raise a total around £120 million.

19. The Scottish Government reimburses local authorities for the cost of granting relief as part of the general revenue grant payment. The present instrument has no additional financial effects on the Scottish Government or local government.

**Non-Domestic Rates (Enterprise Areas) (Scotland) Regulations 2016 (SSI 2016/119)**

*Background*

20. The instrument was laid on 24 February 2016 and this Committee has been designated the lead committee. The lead committee must report on the instrument by 21 March 2016.

21. The above instrument was made in exercise of the powers conferred by section 153 of the Local Government etc. (Scotland) Act 1994.

*Policy objectives*

22. These Regulations provide relief from business rates in the specified enterprise areas which were established in April 2012. These Regulations will have provision from 1 April 2016 up to 31 March 2020.

*Consultation*

23. There is no statutory obligation to consult on these Regulations.

*Business and Regulatory Impact Assessment*

24. BRIAs are prepared where proposals introduce additional burdens or costs on business or the third sector. As this SSI will reduce the rates burden on qualifying businesses, no BRIA is required.

*Financial effect*

25. The decrease in the amount of non-domestic rates payable by businesses is in line with the policy objective as outlined above and is capped by State Aid *de minimis*.

**Non-Domestic Rates (Steel Sites) (Scotland) Regulations 2016 (SSI 2016/120)**

*Background*

26. The instrument was laid on 24 February 2016 and this Committee has been designated the lead committee. The lead committee must report on the instrument by 21 March 2016.

27. The above instrument is made in exercise of the powers conferred by section 153 of the Local Government etc. (Scotland) Act 1994.

*Policy objectives*

28. The purpose of these Regulations is to create provision for non-domestic rates relief, up to the maximum permitted under State Aid *de minimis*, to incentivise new business(es) to occupy two premises located in Motherwell and Cambuslang previously occupied by Tata Steel. The relief will be available between 1 April 2016 and 31 March 2017.

29. Following Tata Steel's announcement of its intention to mothball its 2 sites in Scotland, the Scottish Government has committed to do all it can to secure an alternative commercial operator for the sites. This relief will be available to any new operator provided the sites continue to be similarly used for manufacture of basic iron and steel and of ferro-alloys.

*Consultation*

30. There is no statutory obligation to consult on these Regulations.

*Business and Regulatory Impact Assessment*

31. BRIAs are prepared where proposals introduce additional burdens or costs on business or the third sector. As this SSI will reduce the rates burden on qualifying businesses, no BRIA is required.

*Financial effects*

32. The decrease in the amount of non-domestic rates payable by businesses is in line with the policy objective as outlined above and is capped by State Aid *de minimis*.

**Non-Domestic Rates (Renewable Energy Generation Relief) (Scotland) Amendment Regulations 2016 (SSI 2016/121)**

*Background*

33. The instrument was laid on 24 February 2016 and this Committee has been designated the lead committee. The lead committee must report on the instrument by 21 March 2016.

34. The above instrument is made in exercise of the powers conferred by section 153 of the Local Government etc. (Scotland) Act 1994.

*Policy objectives*

35. The purpose of the Regulations is to provide non-domestic rates relief to renewable energy developments with community involvement to incentivise and encourage the development of the community renewables energy sector.

The Regulations also provide that a new build renewable property, built between 1 April 2016 and 31 March 2017, may receive 10% relief if the rateable value is no more than £500,000 and 1.5 % if above that figure.

*Consultation*

36. There is no statutory obligation to consult on these Regulations.

*Business and Regulatory Impact Assessment*

37. There is no statutory requirement to produce a BRIA.

**Non-Domestic Rates (Telecommunication Installations) (Scotland) Regulations 2016 (SSI 2016/122)**

*Background*

38. The instrument was laid on 24 February 2016 and this Committee has been designated the lead committee. The lead committee must report on the instrument by 21 March 2016.

39. The above instrument is made in exercise of the powers conferred by section 153 of the Local Government etc. (Scotland) Act 1994.

*Policy objectives*

40. The purpose of these Regulations is to provide for 100% non-domestic rates relief from 1 April 2016 up to 31 March 2021 for new mobile telecommunication masts located in three eligible pilot areas to incentivise mobile operators to build masts and/or improve the viability of mobile operators' business case to provide mobile services in those areas. Two of these eligible areas are located in Arran and the third in Cairngorm.

*Consultation*

41. There is no statutory obligation to consult on these Regulations.

*Business and Regulatory Impact Assessment*

42. BRIAs are prepared where proposals introduce additional burdens or costs on business or the third sector. As this SSI will reduce the rates burden on qualifying businesses, no BRIA is required.

*Financial effect*

43. The decrease in the amount of non-domestic rates payable by businesses is in line with the policy objective as outlined above.

**Non-Domestic Rating (Unoccupied Property) (Scotland) Amendment Regulations 2016 (SSI 2016/124)**

*Background*

44. The instrument was laid on 24 February 2016 and this Committee has been designated the lead committee. The lead committee must report on the instrument by 21 March 2016.

45. The above instrument is made in exercise of the powers conferred on the Scottish Ministers by sections 24(2) and (3), 24A(4) and 24B(3) of the Local Government (Scotland) Act 1966 and all other enabling powers.



*Policy objectives*

46. The purpose of this instrument is to reform the non-domestic rate levied on unoccupied property and to continue two incentives to encourage the occupation of long term properties. The first, *Fresh Start*, supports the occupation of certain long-term empty properties and the second, *New Start*, assists developers of new properties that are empty when entered on the valuation roll.

*Consultation*

47. There is no statutory requirement to formally consult on these Regulations. Related proposals were announced as part of the 2016-17 Draft Budget which is a consultative process.

*Business and Regulatory Impact Assessment*

48. No BRIA has been carried out.

*Financial implications*

49. The reduction of empty property rate relief will save an estimated £53 million in 2016-17. The costs of continuing the *Fresh Start* and *New Start* incentives will be absorbed from within existing non domestic rate income estimates.

**Town and Country Planning (General Permitted Development) (Scotland) Amendment Order 2016 (SSI 2016/126)**

*Background*

50. The instrument was laid on 24 February 2016 and this Committee has been designated the lead committee. The lead committee must report on the instrument by 21 March 2016.

51. The above Order was made in exercise of the powers conferred by Section 30, 31 and 275 of the Town and Country Planning (Scotland) Act 1997

*Policy objectives*

52. The Order amends Class 6H of Part 1A of Schedule 1 to the Town and Country Planning (General Permitted Development) (Scotland) Order 1992, to provide for additional permitted development rights (PD rights) for the installation, alteration or replacement of an air source heat pump (ASHP) on or within the curtilage of a dwelling (which includes a block of flats or a flat).

*Consultation*

53. A public consultation took place from 22 June to 27 August 2015. In addition structured conversations were held with industry and social housing interests.

54. A copy of consultation analysis report can be accessed here <http://www.gov.scot/Resource/0049/00493356.pdf>. (Please note that the report includes analysis of consultation on proposals for solar panels as well as air source heat pumps.)

55. Under the Technical Standards and Regulations Directive 2015/153/EU the draft Order was notified to the European Commission for their consideration on whether the proposals posed any barriers to trade. No objections or comments were received from the European Commission.

*Impact assessments*

56. A BRIA, a Strategic Environmental Assessment, an Equality Impact Assessment and a Children and Wellbeing Impact Assessment were carried out on the proposals. No significant issues emerged that have required changes to the proposals or that are not addressed in response to the general consultation points noted above, particularly in relation to noise impacts.

*Financial effects*

57. A final BRIA, following the consultation, has been completed. There will be savings for applicants who would not have to pay for a planning application and supporting information, although that saving would represent lost income to planning authorities and businesses that prepare supporting information.

58. A significant aspect, which is more difficult to quantify, is the impact of the time saving of not having to undertake a planning application prior to installation.

**Non-Domestic Rates (Telecommunications and Canals) (Scotland) Amendment Order 2016 (SSI 2016/129)**

*Background*

59. The instrument was laid on 24 February 2016 and this Committee has been designated the lead committee. The lead committee must report on the instrument by 21 March 2016.

60. The above instrument is made in exercise of the powers conferred by section 6A of the Valuation and Rating (Scotland) Act 1956.

*Policy objectives*

61. The purpose of this Order is to allow any masts which attract relief under the Non-Domestic Rates (Telecommunication Installations) (Scotland) Regulations 2016 (S.S.I. 2016/122) (“the 2016 Regulations”) to be given a separate entry in the valuation roll for the valuation area in which they are situated.

*Consultation*

62. There is no statutory obligation to consult on this Order.

*Business and Regulatory Impact Assessment*

63. BRIAs are prepared where proposals introduce additional burdens or costs on business or the third sector. As this SSI will reduce the rates burden on qualifying businesses, no BRIA is required.

*Financial effect*

64. The decrease in the amount of non-domestic rates payable in respect of masts is in line with the policy objective as outlined above.