

To: POLICY & RESOURCES (FINANCE & CUSTOMER SERVICES) SUB COMMITTEE		Subject: NON DOMESTIC RATES DEFERRAL SCHEME 2012/13
Date: 13 February 2012		
Ref:- AC/BC		

1 Introduction

- 1.1 The purpose of this report is to advise of the Non Domestic Rates Deferral Scheme 2012/13 which has been introduced by the Scottish Government.

2 Background

- 2.1 In response to the continuing difficulties being experienced in the economy the Scottish Government has introduced a scheme allowing rate paying businesses in Scotland to defer part of the 2012/13 increase arising from the 5.6% increase in poundage. This will generally be equivalent to 3.2% of the 2012/13 billed amount and the repayment of it will be recovered with half in 2013/14 and half in 2014/15.
- 2.2 The scheme will operate within the provisions of the Local Government (Scotland) Act 1975. The Scottish Government will adjust the Council's funding in 2012-13 and in the 2 subsequent years to ensure that local authority budgets are unaffected.

3 Operation of the Scheme

- 3.1 The deferral scheme will be applied where a rate paying business applies to the Council to defer part of the 2012/13 rate poundage increase. The Scottish Government will provide a sample application form for use.
- 3.2 A summary of the expected operation of the scheme is detailed below:
- The scheme is available to any rate paying business on application.
 - The deferred amount will be equivalent to 3.2% of the billed value, ie, a ratepayer with a bill of £5,280 will defer £168.96 and be due to pay £5,111.04 during 2012/13 (equivalent to a 2.2% increase on the 2011/12 amount).
 - The deferred amount will be recalculated if there are decreases/increases to the account liability.
 - If a rate payer is in receipt of a Final Notice for 2012/13 the full amount, including the deferred amount, would be due for payment.
 - The deferred amount will be added to the 2013/14 and 2014/15 liabilities in 2 equal amounts, ie, using the example above the 2013/14 and 2014/15 liabilities would each have £84.48 added to them.

3.3 The introduction of the scheme will be notified to businesses in conjunction with their 2012/13 Non Domestic Rates Notice. In addition details of the scheme will be included on our website.

4 Recommendation

4.1 The Committee is asked to note the implementation of the scheme.



Head of Revenue Services

If you require any further information please contact Mr Brian Cook, Head of Revenue Services,
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