

Finance Circular No 6/2010

By Email

Chief Executives, Scottish Local Authorities

Copy to: Directors of Finance

Heads of Revenue

COSLA

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ref:B3693956

15 March 2010

Dear Sir/Madam

THE NON-DOMESTIC RATING (PAYMENT OF INTEREST) (SCOTLAND)

REGULATIONS 1992: INTEREST RATE FOR 2010-11

1. I am directed by the Scottish Ministers to draw your attention to the interest rate to be applied for 2010-11 in calculating the interest due when repaying overpaid rates following alterations to the valuation roll.

2. The appropriate rate is set by regulation 4(2) of the above Regulations at 1% below the bank base rate on the preceding 15 March. The relevant base rate on 15 March 2010 was 0.5% so the interest rate to be applied from 1 April 2010 to 31 March 2011 will be 0.00%.

3. The rates of interest on overpayments in respect of previous years remain at 5.75% for 1995-96; 5% for 1996-97; 5% for 1997-98; 6.25% for 1998-99; 4.5% for 1999-2000; 5% for 2000-01; 4.75% for 2001-02; 3% for 2002-03; 2.75% for 2003-04; 3% for 2004-05; 3.75% for 2005-06; 3.5% for 2006-07; 4.25% for 2007-08; 4.25% for 2008-09; and 0% for 2009-10.

4. You may wish to note that the 1992 Regulations were amended by the Non-Domestic Rating (Payment of Interest) (Scotland) Amendment Regulations 2009, so that where the Bank of England base rate is 1% or less the interest rate to be applied will be zero. In addition, this amendment clarified that interest payable should be calculated using the Bank of England base rate and revoked provisions relating to historic repayments. A full copy of the Amendment Regulations can be found at: http://www.opsi.gov.uk/legislation/scotland/ssi2009/ssi_20090076_en_1

5. This Circular has been copied to your Director of Finance, Head of Revenue (or equivalent) and COSLA.

6. Any enquiries about this Circular should be directed to me at the above address.

Yours faithfully,

JIM GILMOUR