



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

Victoria Quay
Edinburgh EH6 6QQ

Finance Circular No 4/2005
By E-mail

Chief Executives, Scottish Local Authorities

Copy to: Directors of Finance
Heads of Revenue
COSLA

Telephone: 0131-244 7011
Fax: 0131-244 7020
Anna.gilbert@scotland.gsi.gov.uk
<http://www.scotland.gov.uk>

Your ref:
Our ref: ZCA 10/1;ZCB 4/2/2005;
ZCF 26/1

15 March 2005

Dear Sir/Madam

THE NON-DOMESTIC RATING (PAYMENT OF INTEREST) (SCOTLAND)
REGULATIONS 1992: INTEREST RATE FOR 2005-06

1. I am directed by the Scottish Ministers to draw your attention to the interest rate to be applied for 2005-06 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 that date was 4.75 % so the interest rate to be applied from 1 April 2005 to 31 March 2006 will be 3.75 %
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; and 3.75 % for 2005-06.

THE BENEFICIAL PORTION OF NON-DOMESTIC RATES IN RESPECT OF
ACCREDITED DIPLOMATIC MISSIONS AND CERTAIN INTERNATIONAL
ORGANISATIONS

4. Essentially the “beneficial portion” is a portion of the local rates payable on the property occupied by the Diplomatic Mission and International Organisations from which the occupant derives a benefit. The beneficial services cover things like street cleaning, lighting etc. Finance Circular No 3/2002 paragraph 4 advised that the Beneficial Portion for the period 1 April 2000 to 31 March 2005 would remain at 6%.
5. The intention was that the beneficial portion reviews –undertaken by the Valuation Office Agency –would be carried out every five years to tie in with the non domestic rating revaluations.



Given that the 2000 review did not take place until 2002, we have been advised by the Valuation Office Agency that the next review will not take place until 2007.

6. The Beneficial Portion in respect of accredited Diplomatic Missions and some International Organisations will therefore continue at the present level of 6% for the period 1 April 2005 to 31 March 2007.

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

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

Yours faithfully

Anna E Gilbert

ANNA E GILBERT

