

# **Non-Domestic Rates (Coronavirus)(Scotland) Bill**

## **Equality Impact Assessment - Results**

**January 2022**

## Equality Impact Assessment - Results

<b>Title of Policy</b>	Non-Domestic Rates (Coronavirus) (Scotland) Bill
<b>Summary of aims and desired outcomes of Policy</b>	The purpose of the Non-Domestic Rates (Coronavirus) (Scotland) Bill is to set out a rule for the determination of the net annual value (NAV) and the rateable value (RV) of non-domestic properties. It seeks to ensure that in calculating the NAV or RV of any properties in the 2017 valuation roll for non-domestic rates, no account can be taken of any matter arising on or after 2 April 2020 that is directly or indirectly attributable to coronavirus.
<b>Directorate: Division: team</b>	Local Government and Communities Directorate Local Government and Analytical Services Division LG Finance and Business Rates Unit

### Executive summary

This is a summary of the full Equality Impact Assessment for the Non-Domestic Rates (Coronavirus) (Scotland) Bill. The Bill sets out that when calculating the net annual value (NAV) or rateable value (RV) of properties in the 2017 valuation roll, no account can be taken of any matter arising on or after 2 April 2020 that is directly or indirectly attributable to coronavirus.

This EQIA has considered the effects of the Bill on people with one or more protected characteristics. We found that the Bill is unlikely to have a differential or adverse impact on specific groups of people or those with protected characteristics.

## **Background**

Non-domestic rates, also known as business rates, are a property tax based on the rateable value of a property. RVs are derived from NAVs, themselves based on the annual rental value that a property would attract in an open market. Rating valuations are carried out by independent Scottish assessors and all rateable values are periodically updated at revaluations, with the most recent being on 1 April 2017 based on rental values as at 1 April 2015 (the 'tone date'). It is at revaluations that NAVs and RVs are updated to reflect changes in the general level of rents including those caused by economic factors.

Outside of revaluation, NAVs and RVs can be amended to reflect a "material change of circumstances" (MCC), as defined in section 37 of the Local Government (Scotland) Act 1975 ("the 1975 Act"). This includes for instance physical alterations to the property (e.g. extension or demolition); major, localised and impactful alterations in the area such as the Edinburgh Tram Works; and relevant decisions by the Valuation Appeal Committee, Lands Tribunal for Scotland or Lands Valuation Appeal Court.

Under the Non-Domestic Rates (Scotland) Act 2020, the definition of MCC was amended with effect from 2 April 2020 to exclude changes in general economic circumstances (specifically, changes in the rent of particular lands and heritages or any other lands and heritages, or in the level of valuations generally or in the value of lands and heritages generally).

The policy aim of the Bill is to ensure that market-wide economic changes are only considered at revaluation in order to ensure fairness to all ratepayers.

## **The Scope of the EQIA**

The Bill will set out that when calculating the NAV or RV of properties in the 2017 valuation roll, no account can be taken of any matter arising on or after 2 April 2020 that is directly or indirectly attributable to coronavirus. The scope of the EQIA is to assess and highlight the direct or indirect impact of such proposals on persons who fall within the terms of the protected characteristics groups (Age, Disability, Sex, Pregnancy and Maternity, Gender Re-Assignment, Sexual Orientation, Race, Religion or Belief and Marriage or Civil Partnerships) as identified in the Equality Act 2010.

## **Key Findings**

It is not possible to distinguish any potential differential impact on different sectors of society based on protected characteristics, however given the universal nature of non-domestic rates, there is a low risk of a policy in this area having a disparate or adverse effect, direct or indirect on protected characteristics.

## **Recommendations and Conclusion**

As the Equality Impact analysis sets out, there is no reason to expect that the Non-Domestic Rates (Coronavirus) (Scotland) Bill will have an adverse or disparate impact on people with protected characteristics.

While no equality issues have been identified by the EQIA, the Scottish Government will continue to monitor the impact of the policy as a whole ahead of the next revaluation in 2023.



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The Scottish Government  
St Andrew's House  
Edinburgh  
EH1 3DG

ISBN: 978-1-80201-932-2 (web only)

Published by The Scottish Government, January 2022

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA  
PPDAS1009278 (01/22)

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