



Rate Relief for Small Businesses: Consultation Paper

INTRODUCTION

Small businesses make a significant contribution to the Scottish economy. They currently provide some 46 per cent of all non-public sector employment. Small firms also contribute significantly to innovation and wider competitiveness in the economy and are likely to be a major provider of future employment opportunities. Rates account for a larger proportion of the costs and turnover of smaller businesses than they do of larger businesses and accordingly there is a case for providing relief for smaller businesses. However, it is important to be sure that any relief scheme is correctly targeted at those who need it, bringing real benefits to those who receive it without placing undue burdens on those who pay for it.

This consultation paper sets out proposals for rates relief for small businesses. They have been developed following suggestions from and discussions with business representative bodies, the Scottish Valuation and Rating Council and the Scottish Parliament Local Government Committee.

The specific proposals are:-

- **A general rate relief scheme for small businesses;**
- **Rate relief scheme for new farm diversification projects;**
- **Extending the terms of the existing rural (village shops) rates relief scheme;**
- **Extending agricultural exemption to farm buildings used for machinery rings, contract and share farming enterprises.**

Comments on the proposals contained in this paper should be sent to:

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SUPPORTING SMALL BUSINESSES

1. The Scottish Executive is committed to helping small businesses. The Framework for Economic Development highlights the importance of encouraging a culture of enterprise in all impacts of Scottish life and, inter alia, assisting new business formation and growth. The new Strategy for Enterprise “A Smart, Successful Scotland” also stresses the need to increase the number of new and growing businesses, including those under-represented in business, and the role of the Enterprise Networks in providing quality business advice and information to help meet that challenge.
2. The current provision of small business support in the Scottish Enterprise area was recently reviewed on a joint basis by Scottish Enterprise and the Scottish Executive. This has led to a package of measures being developed to improve the quality and consistency of support across the network. This includes a single **Small Business Gateway**, a single brand for the Scottish Enterprise area allowing easier access (electronically online at www.sbgateway.com, by telephone 0845 609 6611 or by visiting one of around 50 outlets) to a consistent range of core support services geared towards potential business start-ups and small businesses. Four basic programmes are available through all outlets - business information; start-up support; business growth; and high growth starts.
3. The Scottish Executive is also working with Scottish Enterprise and Highlands and Islands Enterprise (HIE) to implement a new package of support measures (financial and non-financial) for women and other groups under-represented in business using an additional £1.5m of funding announced last year. This initiative combines the objectives of the Scottish Executive’s economic development, social inclusion and equality agenda.
4. The Scottish Executive will continue to work with the Enterprise Network to refine and improve Scotland’s business support framework. For example, in light of Scotland’s business birth rate performance, Scottish Enterprise has recently commissioned an independent review of the Business Birth Rate Strategy (by the Fraser of Allander Institute). The review should be completed within the next few months, and possible improvements to supply side support measures will be considered in light of the report’s conclusions. Improvements to the Small Business Gateway are already underway, and further consideration will be given to a number of new initiatives, including improved support for high growth businesses and a possible extension of business mentoring.
5. Improvements are also in hand in the Highlands and Islands. The Highlands and Islands Network will shortly be introducing HIE Starts, a new European aided programme, which will offer information, advice and discretionary financial assistance to small business start-ups that have the potential to contribute to the local economy. In addition, HIE’s Business Information Source is extending the reach of its services to provide a comprehensive business information service through a network of locally based Business Information Offices, one in each of the LEC offices. A key factor is the use of ICT to help develop innovative delivery methods including software development for outreach centres, targeted pro-active information services, such as environmental and R&D information and support for business growth areas.

6. Scottish Enterprise and Highlands and Islands Enterprise are also currently working together to address training and accreditation standards for business advisers on a national basis. A national training standard for all business advisers in the Scottish Enterprise and Highlands and Highlands Enterprise networks is currently being piloted. The target is to have all business advisers undertake the new training over the next 2 years. Links with similar work being done by the DTI's Small Business Service (SBS) in England are also in hand.

7. In addition, linkages are being established between the Small Business Gateway and the electronic advisory services being introduced by the Small Business Service. Although the SBS does not have a direct economic development role in Scotland, the Executive recognises the need for Scottish businesses to access information and advice on UK reserved matters, such as employment regulation.

PART 1: GENERAL RATE RELIEF SCHEME FOR SMALL BUSINESSES

1.1 There is evidence that rates account for a larger proportion of the costs and turnover of smaller businesses than they do of larger businesses (*"The Impact of Rates and Businesses"*, IFF Research Ltd for Department of the Environment, 1995). In general, as rates are a fixed cost, larger businesses have the scope to achieve economies of scale which are not often available to smaller businesses.

1.2 The Scottish Parliament Local Government Committee issued a report in June 2000 (SP Paper 140 published on 21 June 2000) following an Inquiry into the balance of the burden of business rates between small and large businesses. The Committee's conclusions were that:-

- a permanent small business rates relief scheme, which is more generous than the present 1p poundage reduction, should be introduced with effect from 1 April 2001;
- if at all possible, a rates relief scheme should apply only to genuinely small businesses, and not to medium or large businesses occupying small premises;
- while it would be appropriate to have a rateable value threshold to determine the upper limit of the scheme, the Committee recommended that consideration should be given to the use of some other means;
- the objectives of a scheme should be to reduce the incentive for businesses to appeal against their rateable value, encourage small businesses to grow and that any scheme should be self-financed through an increase in the Scottish poundage.

1.3 The Scottish Valuation and Rating Council also considered the issue. They concluded that relief should be linked to the value of a property rather than an evaluation of the size of a business and have recommended that relief from rating liability should be more explicitly stated as relating to small properties rather than small businesses.

A basic property based scheme

1.4 The Scottish Executive proposes the introduction of a tapered rate relief scheme with the following features:

- relief of 50 per cent is given to properties with rateable values of less than £3,000. The percentage of relief would be gradually reduced for properties with higher rateable values, up to and including £8,000.
- properties with a rateable value between £8,000 and up to and including £10,000 would continue to receive a 2p reduction on the poundage;
- those with a rateable value of greater than £10,000 would receive no relief.

Costs of the scheme

1.5 Setting the parameters of a small business rates relief scheme as proposed above, with no other conditions, would cost an estimated £59 million a year. The intention is that the additional cost of a small business scheme should be self-financing. This would result in an additional 1.3p on the non-domestic rate poundage for businesses with a rateable value in excess of £10,000.

Concentrating the relief on businesses most in need

1.6 Not all small properties are occupied by small businesses. To better target relief to where it is most needed, businesses could be asked to apply for relief instead of it being automatically given. A business certifying that it met given criteria would then receive the relief.

Grounds for qualifying for relief

1.7 We propose that a valid application could only be made if the property had a rateable value less than or equal to the upper threshold of £10,000.

1.8 There is a wide range of criteria that could be used to test if a business should receive relief. Any such test used should be simple to administer, for both businesses and councils, to avoid placing unnecessary administrative burdens on either. Examples suggested are that the business must certify:

- that its turnover did not exceed £200,000 (or some other figure) in the last year; and/or
- that it employs fewer than six people (or some other figure) ; and/or
- that it has only one property (namely the one for which relief is being sought).

Renewal of relief

1.9 After relief has been granted, changes in circumstances might mean that the property no longer meets the tests for receiving relief. For example, the business occupying the property might be taken over by a larger business.

1.10 It would be difficult for the rating authority to ensure that the property continued to qualify for relief that had been granted some time in the past. For this reason applications for relief would need to be renewed each year. Once granted, relief would not be removed in-year regardless of any changes in circumstances.

Exclusion of certain types of property and business

1.11 There are some types of property that might be ruled out of the scheme from the start, such as an advertising hoarding or a telecommunications mast.

1.12 As the scheme would be a response to the fact that rates amount to a higher proportion of the profits of small businesses, there is a case for excluding non-profit making bodies. Charities are already entitled to 80 per cent mandatory rate relief on property used wholly or mainly for charitable purposes. Local authorities also have the discretion to grant relief to

other properties used by charities or by other non-profit making bodies for recreational, philanthropic or educational purposes or for social welfare, science, literature or the fine arts.

Interaction with other rate reliefs

1.13 There will be circumstances where properties eligible for the relief for small businesses would also be receiving other forms of rate relief, which may be at a higher or lower level. For example, the village shop rate relief scheme provides mandatory relief of 50 per cent, for the sole shop or post office in a designated rural settlement, with a rateable value less than £6,000. This is a higher level than the proposed relief for small businesses for properties between £3,000 and £6,000 rateable value. (Proposals to extend the terms of the rural rates relief scheme are contained in Part 3 of this paper).

1.14 The Scottish Executive proposes that where properties are eligible for other reliefs, they should be able to receive relief up to whichever level is the higher. To do otherwise would be unfair to the ratepayers concerned. However, because the relief for small businesses would be structured differently from other rate reliefs, the reliefs would still need to be calculated separately. Where other mandatory reliefs apply, the relief for small businesses would apply first, then any other reliefs which brought the total amount of relief to a higher level. So, for example, a qualifying village shop with a £6,000 rateable value could receive 20 per cent relief for small businesses, and in addition village shop relief bringing the total relief to 50 per cent.

1.15 As with other existing reliefs, the relief for small businesses would apply to the rates bill after any adjustments for transitional relief under the scheme introduced for the revaluation on 1 April 2000.

Funding the scheme

1.16 As indicated at 1.3 above, the scheme would be funded by a modest increase in the rate poundage for those subjects which do not qualify as small businesses. If the scheme cost the full £59 million as suggested, the additional poundage would be 1.3p. If the scheme was more closely targeted, then the increase in the poundage would be less.

Monitoring effectiveness

1.17 Whatever type of rate relief scheme for small businesses is introduced, the Scottish Executive will ensure that its effectiveness is monitored once it is in operation. We will want to be sure that it is correctly targeted on those who need it, bringing real benefits to those who receive it without placing undue burdens on those who pay for it. The effectiveness of the scheme will be reviewed in the light of experience.

Legislative position and timing

1.18 A general rate relief scheme for small businesses can be prescribed by Scottish Ministers by regulations under the terms of section 153 of the Local Government etc (Scotland) Act 1994. Following consultation the intention would be to establish a general rate relief scheme for small businesses with effect from 1 April 2002.

RATE RELIEF FOR SMALL BUSINESSES: POINTS FOR CONSIDERATION

The Scottish Executive seeks views on:

- whether relief should be directed towards businesses occupying small properties;
- or whether additional criteria should be applied to target small businesses more closely;
- if the former, on the proposal for a threshold of £10,000;
- if the latter, which tests should apply, including alternatives to the ones illustrated;
- the types of property or occupiers that should be excluded or included;
- any other matter discussed in Part 1.

PART 2: RATE RELIEF FOR NEW FARM DIVERSIFICATION ENTERPRISES

2.1 The Scottish Executive has a policy of encouraging farm diversification and rural entrepreneurship. For farmers and their immediate families diversification offers the means to supplement their income and thus help ensure a sustainable future for themselves and for the rural communities in which they live.

2.2 While farmers and their families are increasingly exploring opportunities to diversify into other businesses, the current rating arrangements can act as a disincentive. Agriculture is exempt from non-domestic rates, but non-agricultural activities are rateable. Farm businesses therefore face a new rate liability when moving any of their property from agriculture to non-agriculture use. The Scottish Executive believes that it would be helpful to farm businesses if rate relief were allowed for all new non-agricultural activities on farms. This would also be in the interests of cross-border harmonisation of rating and valuation practice as a similar relief scheme for all new small-scale farm diversification enterprises is to be introduced in England and Wales.

2.3 We propose that rate relief should be available for all small properties (with a rateable value of £6,000 or less) on farms used for new non-agricultural enterprises. This would help farm businesses in Scotland to diversify into a much wider range of activities.

2.4 There are many non-agricultural enterprises already in place on some farms, which suggest the kind of properties that would be eligible for the new rate relief. These enterprises include farm shops, mail order businesses, offices, craft shops or workshops, storage, caravan parking, light industry and leisure activities. There are a number of factors involved in establishing any new enterprise on a farm, such as financing, market conditions and planning consent, which will first need to be taken into account by the farm business. Once a new enterprise is established on a farm, it would be eligible for the new rate relief, provided the property it occupies has a rateable value of no more than £6,000.

Terms of the rate relief scheme

2.5 The Scottish Executive proposes that there should be mandatory 50% rate relief for eligible properties. Local authorities would have the discretion to provide top-up relief of up to 100% of the rate bill, provided they funded the usual 25% of the cost of the top-up, the balance being met centrally. Relief would be available to properties with rateable values of no more than £6,000.

2.6 The mandatory relief provides guaranteed support to all eligible properties. Discretionary relief allows local authorities to provide extra help to those businesses that they consider need it, in order to benefit the local community.

2.7 The rateable value threshold is based on research carried out for the Department of the Environment in 1995, which showed that rates were generally a much greater proportion of costs for businesses with rateable values below £5,000 than for those in larger properties. The level of the threshold has been raised to £6,000 to reflect the overall increase in rateable values at Revaluation 2000.

Time period for relief

2.8 The relief is intended to be a transitional measure, to help farmers to move into new areas of business, rather than to provide long term subsidy. We are proposing that relief should be available for a fixed five-year period running from the day the legislation comes into force. At the end of this period, the legislation should allow the Scottish Parliament to decide whether to continue the scheme for a further period.

Eligibility for relief

2.9 The proposed relief is aimed at helping farm businesses to establish new non-agricultural activities using land and buildings that were previously agricultural. It should be precisely targeted on the new diversification activities it is intended to encourage. We therefore propose that the relief should only be available to the farmer, his immediate family or the farm business occupying the holding, for newly established enterprises.

2.10 Relief should not be available to any other business that occupies land or buildings which had previously been in agricultural use, for example, if someone purchased or rented property on agricultural land for the purpose of establishing a new business, or transferring an existing one. In such cases the occupier would be liable to pay the rates. Farm businesses who rented or sold property to other occupiers would not themselves pay rates, so would not be eligible for relief, but the farm business would instead have the benefit of the rent or sale proceeds.

2.11 The relief could be targeted by allowing it only for a property:

- with a rateable value of £6,000 or less;
- that enters the valuation roll during the five-year period;
- that was subject to the rating exemption for agriculture until it entered the roll,
- and that was occupied by the same farm business as the remaining agricultural land.

2.12 In order to ensure that relief is given only to new enterprises and not to an existing enterprise that had been transferred from another property, we would also have to include a test to verify that recipients were genuinely new enterprises.

2.13 In some cases a farm business may wish to establish more than one different diversification enterprise on their farm. In such cases we could allow relief to each of these new enterprises, provided each occupied property with rateable values no more than £6,000. Alternatively, we could limit the relief to one enterprise on each farm, since the main purpose of the scheme is to encourage small-scale activity.

Stud Farms

2.14 Under long-standing legislation, properties used for the breeding and rearing of horses and ponies which are linked to agricultural land and buildings (stud farms), already receive rate relief. This is a reduction of £2,500 in their rateable value. New stud farms will continue to be eligible for mandatory relief under existing legislation. In most cases that will be worth more than the level of mandatory relief available under the proposal set out at item 2. We suggest therefore that new stud farm enterprises should not be eligible for the mandatory element of the latter.

2.15 The main reasons are that all stud farms whose unadjusted rateable values exceed £6,000 – shown as £3,500 or more in the valuation roll after the adjustment – would receive no relief under the scheme proposed under item 2. Also the existing stud farms relief will continue to be available beyond the five-year life of the proposed new relief.

2.16 However, stud farms do not benefit from the discretionary top-up relief that is proposed for other enterprises on farms. **We therefore propose that stud farms which benefit from the existing reduction in their rateable value should also be eligible for the discretionary element of the relief proposals for non-agricultural enterprises on farms as set out at item 2.** As with other recipients of the new relief, the discretionary top-up relief would only be available to stud farms newly established on agricultural property, with unadjusted rateable values no more than £6,000 (shown as no more than £3,500 in the rating lists). This would put them on the same footing as all other businesses and give farm businesses an equal incentive to diversify into this activity as is proposed for any other.

Costs

2.17 Since relief would only apply to new ventures established after the scheme is in operation, it is difficult to estimate with any accuracy what the actual take up of new ventures would be, but any new ventures established would result in an increase in total rates revenue, albeit abated by levels of relief awarded.

Legislative position and timing

2.18 These proposals will require new Primary legislation in Scotland. Following consultation the intention would be to include suitable legislative provisions in a future Local Government Bill.

RATE RELIEF FOR FARM DIVERSIFICATION: POINTS FOR CONSIDERATION

The Scottish Executive seeks views on:

- **the introduction of a relief scheme for new farm diversification enterprises;**
- **the proposed levels of mandatory and discretionary relief and the £6,000 threshold;**
- **the proposed time period for the relief;**
- **the question of which properties should be eligible for relief;**
- **the proposed discretionary relief for stud farms.**

PART 3: EXTENSION TO THE PROVISIONS FOR RURAL RATES RELIEF

3.1 At present, both north and south of the Border, a rural rate relief scheme is in operation. This provides 50% mandatory relief for any sole general store (selling food and household goods) and/or post office in settlements of under 3,000 population in a designated rural area and with a rateable value of less than £6,000. Local authorities have discretionary powers to top this up to 100% for any other business in such settlements that they consider important to the community. The discretionary element is for subjects with a maximum rateable value of £12,000.

3.2 There is continuing concern about the decline in services in small rural communities. Recent concerns have focused on three areas where there is particular evidence of decline:

- **Public houses** which can be an important focus for communities, particularly where other facilities such as shops and post offices have closed, and may provide specific community facilities such as meeting rooms or children's play areas.
- **Garages and petrol filling stations** in rural areas. Rural residents are more dependent on their cars for travel and garages may also provide other facilities (shops, cash facilities) in an area where these are not otherwise provided.
- **Small (particularly food) shops** that are not the sole shop in settlements under 3000.

3.3 All of these types of business are currently eligible for discretionary rate relief under the existing scheme. The Scottish Executive's proposals for rate relief for small businesses generally will provide further assistance. However, we are also considering whether additional mandatory rate relief for those businesses providing important local services would help to sustain communities and reduce social exclusion. (Similar proposals are being considered for England and Wales).

Options for extending the relief

3.4 We would welcome views on whether we should extend the mandatory 50 per cent rate relief in designated rural settlements of less than 3000 population, to the following premises:

- **singly owned pubs** where the pub is either the sole remaining retail outlet **or** it is the sole public house and provides a defined community facility or service (eg cash machine, cashback facility, meeting room for local community, or public information and communication technology access point) where they have a rateable value of less than £6,000;
- **shops** selling mainly food where they have a rateable value of less than £6000;
- **singly owned garages** offering a cash machine or cashback facility where there is no post office and where they have a rateable value of less than £6,000. Indeed consideration could be given to including all singly owned garages in designated rural areas.

3.5 In addition to the options at 2 above, there might be a case for exempting cash machines (ATMs) located in designated rural areas from non-domestic rates. At present, ATMs are entered in the valuation roll as separate lands and heritages with the valuation based on the volume of transactions. The machine itself is not rateable but the site of the machine is and is generally held under a lease agreement between the financial institution and the host building. ATMs which are part of a bank or building society are not entered separately in the roll but are valued as part of the bank or building society.

Costs

3.6 Although it is difficult to be precise about the additional costs of introducing the proposed extension to the rural rates relief scheme, it is unlikely that the cost would be prohibitive. A rough estimate of the number of Scottish properties involved and an estimate of the costs which would be incurred is set out below:

<u>Type of Property</u>	<u>Number of Properties</u>	<u>Estimated Cost (£m)</u>
Pub	250	1.1
Garage	500	0.5
Shop	2,500	5.0
TOTAL		£6.6

Legislative position and timing

3.7 These proposals will require new Primary legislation in Scotland. Following consultation the intention would be to include suitable legislative provisions in a future Local Government Bill.

EXTENSION TO RURAL RATES RELIEF SCHEME: POINTS FOR CONSIDERATION

The Scottish Executive seeks views on:

- the proposal to extend the provisions of the rural rates relief scheme;
- the categories of property proposed for inclusion in the scheme;
- whether cash machines (ATMs) located in designated rural areas should be exempt from non-domestic rates;
- the terms of the scheme and £6,000 threshold.

PART 4: EXTENDING THE AGRICULTURAL EXEMPTION FROM NON-DOMESTIC RATES TO FARM BUILDINGS USED FOR MACHINERY RING, CONTRACT AND SHARE FARMING ENTERPRISES

4.1 As indicated in Part 2 to this paper, the Scottish Executive has a policy of encouraging farmers and their immediate families to establish ways of ensuring a sustainable future for themselves and for the rural communities in which they live. In addition, the Executive encourages farmers to provide more services to other farm businesses and to make the most efficient use of the resources available to them.

4.2 Some aspects of rating law inhibit this process in relation to certain methods of agricultural business, such as machinery rings, contract farming and share farming, where farm businesses pool their resources and provide services to one another to generate cost efficiencies. In some cases these sorts of enterprises can also offer the opportunity for diversification into alternative sources of income.

- **Machinery rings** make for a more efficient organisation of machinery and farm labour. Greater use of pooled machinery means each item spends less time standing idle. Machinery rings also provide members with access to a wider range of machinery than would be the case if they operate on their own, and to complete farming operations timeously particularly in difficult seasons.
- **Contract and share farming** enable farmers to enter into new business arrangements which might involve the farming of land other than their own. In some cases these activities overlap as in the case of machinery rings where some members of the ring are contracted to farm the land of other members.

Current Rating of farm buildings used for Machinery Ring, Contract Farming and Share Farming Enterprises

4.3 Subject to certain conditions, agricultural land and buildings are exempt from non-domestic rates. Two important conditions are that:

- buildings must be used solely in connection with agricultural operations on the land on which they stand, and
- a building is occupied by the occupiers of the land on which it stands.

4.4 In many cases the activities of machinery ring, contract farming and share farming enterprises may not be able to meet these conditions. For example, with a machinery ring a building may house agricultural machinery which is also used to farm the land of another farmer; or a contract farmer may occupy a building on land that he farms but is not the occupier of. In both cases the buildings in question are used in connection with an agricultural activity, for example for storing machinery or other supplies. In neither case, however, would the buildings be designated as agricultural and so eligible for exemption from rates, as both fail to meet the occupancy and usage criteria.

The need for change

4.5 Current rating law can inhibit the efficient use of agricultural resources. The agricultural exemption from non-domestic rates does not extend to certain non-traditional business structures and arrangements that remain entirely agricultural and are based on farms. Views are invited therefore on whether existing rating legislation should be adjusted to encompass these structures and arrangements. **The Scottish Executive considers that these structures and arrangements will largely comprise of machinery ring, contract farming and (although practised to limited extent in Scotland) share farming enterprises. Consultees may be aware of other arrangements which might be suitable for inclusion.** Views are also sought on whether non-agricultural activities, such as the supply of agricultural inputs or machinery, or activities which are not based on farms should be included.

4.6 In developing these considerations it will be important to strike the right balance between the need to encourage modern business methods while retaining the integrity of agriculture's exemption from non-domestic rates. On the one hand, the Executive wishes to establish conditions which will provide a level playing field among agricultural operators so permitting maximum and effective use of agricultural resources. On the other hand, it does not want to create new exemptions from rates that undermine other business arrangements where the property used remains rateable.

Proposals

4.7 It is proposed that the law be changed to exempt from non-domestic rates, property used by a single **agricultural business** (whether sole owner/tenants/joint partners or companies) which operates over a number of separate agricultural holdings. This would cover a number of both contract and share farming arrangements.

4.8 It is also proposed that where buildings are used jointly by a number of **agricultural businesses** (for example to house machinery used on more than one farm) then these buildings should also be exempt. This would cover a number of farm machinery ring arrangements. This is already possible under existing law when, for example, a machinery ring is organised as a co-operative.

4.9 The Scottish Executive proposes to exclude from the rating exemption businesses which are not used solely in connection with agricultural land and businesses, ie:

- where the purpose of the business is to rent/lease/hire out machinery rather than to be part of an agricultural business operation; and
- where a machinery ring is involved in both agricultural and non-agricultural activities.

Your views are sought on this proposal.

4.10 The Executive also proposes to exclude property which is mainly used for non-agricultural purposes, such as housing machinery for landscaping, verge or hedge cutting.

4.11 Views are also sought on whether there are other flexible farming business arrangements which should be considered. For example, one common practice is that of an

agricultural business who may hold all machinery in one place, not necessarily on a farm, but uses it to produce crops from land which is rented for only one season. This helps to extend the rotation of crops in order to prevent the build up of diseases, pests and weeds which survive shorter rotations in, for example, potatoes.

Legislative position and timing

4.12 These proposals will require new Primary legislation in Scotland. Following consultation the intention would be to include suitable legislative provisions in a future Local Government Bill.

EXTENSION TO RURAL RATES RELIEF SCHEME: POINTS FOR CONSULTATION

The Scottish Executive seeks views on:

- **the details of the above exemptions proposed;**
- **what other farming arrangements might be considered.**

**SCOTTISH EXECUTIVE
February 2001**

The Scottish Executive may wish to publish responses to this consultation exercise in due course or deposit them in its libraries. If so, all responses received will be published or deposited, unless a respondent specifically asks the Executive to treat their response as confidential. Confidential responses will, nevertheless be included in any statistical summary of the numbers of comments received and views expressed.