24 February 2026

SCOTTISH FISCAL COMMISSION ESTIMATES COST OF CHANGES TO NON-DOMESTIC RATES POLICY

The Scottish Fiscal Commission (SFC) has today published an updated forecast for Non-Domestic Rates (NDR), ahead of tomorrow's Stage 3 Budget debate in the Scottish Parliament.

The Cabinet Secretary for Finance and Local Government announced two changes to NDR policy on 12 February 2026, during the Stage 1 debate on the Scottish Budget. The first change is to introduce an additional 25 per cent relief for eligible licensed hospitality premises and music venues, on top of the previously announced 15 per cent retail, hospitality, and leisure relief. The second is a specific Revaluation Transitional Relief for self-catering holiday accommodation with a short-term let licence. Both changes apply for three years from 1 April 2026 to 31 March 2029.

The SFC forecasts that, taken together, the changes will reduce Non-Domestic Rates revenue by £9 million in 2026-27, £12 million in 2027-28, and £17 million in 2028-29.

ENDS

Notes

1. The SFC's Report, Supplementary Costing: Non-Domestic Rates Measures is available now. Background information is also available including spreadsheets with data for tables. [Supplementary Costing – Non-Domestic Rates Measures – February 2026 I Scottish Fiscal Commission]

2. This costing supplements our report accompanying the Scottish Budget, Scotland's Economic and Fiscal Forecasts – January 2026, which was published on 13 January 2026. [Scotland's Economic and Fiscal Forecasts – January 2026 I Scottish Fiscal Commission]

3. The Scottish Fiscal Commission is the independent fiscal institution for Scotland, established by the Scottish Fiscal Commission Act 2016. Our reports represent the collective view of the Scottish Fiscal Commission, comprising the Commissioners: Dr Eleanor Ryan, Justine Riccomini, and the Chair, Professor Graeme Roy.

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