

Business Rates 2022 to 2023 General Information Leaflet

1. Rateable Values

The Scottish Assessor, who is independent of both local and central government, determines the rateable value of every business property in Scotland and sets this out in a Valuation Notice.

Valuations and practice notes on methods of valuation are available on the Scottish Assessors website at <https://www.saa.gov.uk/>. The website also provides a search facility to find your rateable value, as well as searching the rateable value of any other property in Scotland.

If you consider the rateable value of your property to be wrong you have a right to appeal and you should contact the Assessor, 8 Broad Street, Kirkwall, Orkney, KW15 1NX. Telephone 01856876222, email assessor@orkney.gov.uk or find more information on rating appeals at <https://www.saa.gov.uk/>. You must continue to pay the rates bill even if you have lodged an appeal.

2. How is the rates bill calculated

To calculate your rates bill you have to multiply your rateable value by a “pence in the pound rate”, which is known as the poundage. This rate is set by the Scottish Government and, from 1 April 2022 to 31 March 2023, is 49.8 pence in the pound. For example, if your rateable value is £10,000 multiply this by 49.8 pence to obtain an amount payable of £4,980 for the year.

Ratepayers who occupy a business property with a rateable value above £51,000 will pay a supplement on the poundage rate of 1.3 pence. For example, if your rateable value is £60,000 multiply this by 51.1 pence to obtain an amount payable of £30,660 for the year. The supplement on the poundage rate is 2.6 pence where the property value exceeds £95,000.

3. Discounts on your bill

There are a number of business rate reliefs (discounts) available, and we can only explain them briefly in the following paragraphs. More information is available on the Council’s website at <http://www.orkney.gov.uk/> and follow the links to business rates. In general, if you are currently receiving relief you do not need to reapply, but if you are in any doubt please contact the Council.

3.1. The Small Business Bonus Scheme

The scheme is available for businesses that have properties with a combined rateable value in Scotland of £35,000 or less.

If you think you are eligible for this relief and do not currently receive it, you must apply to the Council. The relief available is:

- Combined Rateable Value of all business properties in Scotland up to £15,000 – relief available of 100 per cent.
- Combined Rateable Value of all business properties in Scotland between £15,001 and £18,000 – relief available of 25 per cent.
- A business with two or more properties with a combined rateable value of up to £35,000 will also qualify for relief of 25 per cent on an individual property with a rateable value of £18,000 or less.

From 1 April 2020, the scheme changed and relief is no longer available to properties which are unoccupied.

3.2. Charities relief

If your organisation is a registered charity listed on the register maintained by the Office of the Scottish Charity Regulator, or the Council determines that a property occupied by your organisation is used “wholly or mainly for charitable purposes”, you may be entitled to 100 per cent rates relief.

3.3. Recreational or Sports Clubs relief

Relief of up to 100 per cent may be available for properties occupied for the purposes of a club, society or other organisation not established or conducted for profit, which is mainly used for the purposes of sport or recreation.

3.4. The Rural Rate Relief Scheme

This scheme is sometimes also referred to as the Village Shop relief scheme.

3.4.1. Mandatory Relief of 100 per cent

- If the business is a general store, post office or small food shop with a rateable value of £8,500 or less, and it is the only such business within a specified rural settlement.
- If the business is a public house/hotel with a rateable value of £12,750 or less, and it is the only such business within a specified rural settlement and the ratepayer does not pay rates on any other such business in Scotland.
- If the business is a Petrol Filling Station and the rateable value is £12,750 or less and the ratepayer does not pay rates on any other Petrol Filling Station in Scotland.

3.4.2. Discretionary Relief of up to 100 per cent

Relief of 100 per cent is also available for properties with a rateable value of £17,000 or less that are not eligible for mandatory relief - for example, because the rateable value is too high, or it is not the only such business in the specified rural settlement.

3.5. Empty Property Rate Relief Scheme

Relief of 50 per cent is available to properties which are empty for the first 3 months, followed by relief of 10 per cent thereafter. Industrial properties that are empty may be entitled to 100 per cent relief for the first 6 months followed by relief of 10 per cent

thereafter. Some properties such as listed buildings or those with a rateable value of less than £1,700 pay no rates when empty.

3.6. Fresh Start Relief

From 1 April 2018, relief of 100 per cent is available for the first 12 months where a property has previously received empty property rates relief for 6 months and has a rateable value of under £65,000. From 1 April 2021 the limit on rateable value has increased to £95,000.

3.7. Renewable Energy

Relief of up to 100 per cent is available for properties solely used for renewable energy production. The rateable value of the property must be £145,000 or less and the property is used for a project which gives to a community organisation(s), in return for investment in the project by that organisation, entitlement to a sum equivalent to at least 15 per cent of the annual profit of the project, or so much of the annual profit as is attributable to 0.5 megawatt of the total installed capacity of the project (or more).

3.8. Enterprise Areas

Businesses setting up or relocating to an Enterprise Area site and doing work in certain sectors may qualify for up to 100 per cent relief up until March 2023.

One of the four defined Enterprise Areas in Scotland is the Low Carbon/Renewable North Enterprise Area that covers designated areas in Hatston, Kirkwall and Lyness, Hoy. Rates Relief of up to 100 per cent is available for properties that are used for the design, fabrication, manufacture and assembly of components required for the generation of renewable energy.

3.9. New and Improved Properties

If your property is a new build and entered onto the Valuation Roll on or after 1 April 2018, you will not have to pay business rates until 12 months after the property is occupied. Relief will not apply where the property is a new entry on the Valuation Roll for rates but was previously shown as an entry in the Council Tax Valuation List.

If you have to expand or make improvements to your property the business rates you are charged will not change for 12 months. They will continue to be based on your old rateable value for this period of time.

3.10. Covid-19 Rates Reliefs for 2022 to 2023

The Scottish Government has announced an extension to the relief for properties in the retail, hospitality and leisure sectors during the 2022 to 2023 financial year. The relief is a 50% remission of the rates payable for the first three months of the financial year, with the maximum value of relief available under this scheme capped at £27,500 per ratepayer.

Ratepayers who received the relief in 2021 to 2022 will have the relief applied automatically to their accounts in 2022 to 2023 where they are eligible. Bills will show instalments with a 50% reduction from April onwards and a revised bill will be issued in June showing the full amount payable from July.

3.11. Churches, Chapels, etc.

Relief of 100 per cent is available for properties that are held by a religious body and used wholly or mainly for purposes connected with that body, and no profit is derived from the use of the premises for any other purpose.

4. Shooting Rights

From 1 April 2017 Shooting Rights became liable for Non-Domestic Rates. However, the vast majority of ratepayers are eligible to apply for rates relief under the existing Small Business Bonus Scheme.

5. The Barclay Review of Non-Domestic Rates

The Barclay Review of Non-Domestic Rates was published in August 2017. The Scottish Government has published an implementation plan that sets out further details on how they will take forward the Barclay recommendations. More information can be accessed at the following Scottish Government website

<https://www.gov.scot/policies/local-government/non-domestic-rates/>.

6. Finding out more

If you have a query about your business rates bill or think you may be entitled to rates relief you should contact the Council at the Revenues Section, Council Offices, Kirkwall, Orkney KW15 1NY. Enquiries, Monday to Friday 09:00 and 17:00.

Telephone: 01856873535 Extension 2133.

Telephone: 01856886322 (direct dial).

Email: revenues@orkney.gov.uk

Orkney Islands Council website: <http://www.orkney.gov.uk/>

Scottish Assessors' website: <https://www.saa.gov.uk/>

Scottish Government website: <https://www.mygov.scot/business/business-premises-rates/>

7. Privacy

To find out more about how we use your information, see the Non-Domestic Rates Privacy Notice on our website, at <https://www.orkney.gov.uk/Service-Directory/B/business-rates-privacy-notice.htm>