

Business Rates 2018 to 2019

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

The Scottish Assessors' 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 2018 to 31 March 2019, is 48.0p in the pound.

For example, if your rateable value is £10,000 multiply this by 48.0p to obtain an amount payable of £4,800 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 2.6p.

For example, if your rateable value is £60,000 multiply this by 50.6p to obtain an amount payable of £30,360 for the year.

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.

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 £18,000 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.

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%

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 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.

3.7. New Start Relief

Relief of 100% is available on new build unoccupied properties, for a period of up to 15 months, entered on the Valuation Roll no later than 31 March 2018.

3.8. 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).

3.9. 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 2020.

One of the four defined Enterprise Areas in Scotland is the Low Carbon/Renewable North Enterprise Area that covers 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.

3.10. New and Improved Properties

From April 2018, relief of 100 per cent will apply for certain new-build properties until a year after first occupation. Additionally, no increase in rates is payable for a year in respect of certain property improvements.

3.11. Day Nursey Relief

From April 2018, relief of 100 per cent relief will apply for properties wholly or mainly used to provide day nursery care for pre-school children.

3.12. Disabled Persons Relief

Relief is available for properties that are used exclusively for the provision of residential care or training of persons suffering from illness or the after-care of persons who have been suffering from illness.

3.13. 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.

3.14. Transitional relief following the rates revaluation in April 2017

From 1 April 2017 all non-domestic (business) properties in Scotland were given new rateable values. The revaluation meant that some businesses experienced a significant increase in their rates bills. The Scottish Government introduced a Transitional Relief scheme for one year 2017 to 2018 to cap the increases at 12.5 per cent from the 2016 to 2017 charge (14.75 per cent when adjusted for the Retail Price Index figure).

The relief scheme has been extended to 2018 to 2019 for hospitality properties with an additional 12.5 per cent real terms relief.

4. The Barclay Review of Non-Domestic Rates

The Barclay Review of Non-Domestic Rates was published on 22 August 2017. The Scottish Government has published an implementation plan that sets out further detail on how they will take forward the Barclay recommendations that they have accepted, including several which will be introduced in years beyond 2018 to 2019. These documents can be accessed at the following Scottish Government website <http://www.gov.scot/businessrates>.

5. 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/>

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