Business Rates 2026 to 2027 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 2026 to 31 March 2027, is 48.1 pence in the pound. For example, if your rateable value is £10,000 multiply this by 48.1 pence to obtain an amount payable of £4,810 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 5.4 pence. For example, if your rateable value is £60,000 multiply this by 53.5 pence to obtain an amount payable of £32,100 for the year. The supplement on the poundage rate is 6.7 pence where the property value exceeds £100,000.

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 General Revaluation Transitional Relief

General Revaluation Transitional Relief (RTR) caps gross bills (this means before any other reliefs are applied) by a specified percentage increase year-on-year where the increase is the result of changes in rateable value at the 2026 revaluation.

General Revaluation Transitional Relief caps for 2026-27

Rateable Value (per property, as at 1 April 2026)	**2026-27**
Up to £20,000	15%
£20,001 to £100,000	30%
Over £100,000	50%

3.2 The Small Business Bonus Scheme

Up to 100% relief is available through the Small Business Bonus Scheme (SBBS) where:

- the combined rateable value of all your properties in Scotland is £35,000 or less;
- the rateable value of the individual property that relief is sought on is £20,000 or less; and
- the property is actively occupied.

If you are the ratepayer for only one property, the relief available is:

Rateable Value	SBBS Relief
Up to and including £12,000	100%
from £12,001 to £15,000	tapers from 100% to 25%
from £15,001 to £20,000	tapers from 25% to 0%

If you are the ratepayer for more than one property, the relief available is

Cumulative Rateable Value	SBBS Relief
Up to £12,000	100%
from £12,001 to £15,000	25% on each individual property with a rateable value of £15,000 or less
from £15,001 to £35,000	Tapers from 25% to 0% for individual properties with rateable values from £15,001 to £20,000

SBBS relief is not available to: advertisements; car parks; betting shops; payday lending businesses; properties requiring a short-term let licence but which do not have one; and shootings and deer forests with some specified exemptions where a) shooting rights are exercised solely for the purposes of deer management, including to prevent damage to woodland or to agricultural production, environmental management or vermin control, b) crofts and c) all forms of agricultural and small landholding tenancies, leases for new entrants, and leases agreed for environmental purposes.

3.3 Small Business Transitional Relief

Small Business Transitional Relief (SBTR) reduces the net bill (that is to say, the bill after any other relief is applied) increase where a property, on 31 March 2026, was eligible for:

- SBBS relief;
- mandatory or discretionary Rural Relief;
- Hospitality Relief; or
- Small Business Transitional Relief (2023 Revaluation).

The maximum increase in the net bill for each qualifying property, compared to the amount payable as at 31 March 2026, is capped at 25% for 2026-27.

Properties that require a short-term let licence to operate but do not have one are not eligible for this relief.

3.4. 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.

3.5. 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.

3.6. The Rural Rate Relief Scheme

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

3.6.1. 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.

3.6.2. 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.

3.7. 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.

3.8. Fresh Start Relief

Ratepayers occupying certain long-term empty properties may be entitled to 100% relief for up to 12 months where:

- the property had previously been empty for at least 6 months and was occupied on or after 1 April 2018;
- the property has a rateable value up to and including £100,000; and
- the property is actively occupied.

Fresh Start relief is not available to: advertisements; car parks; betting shops; payday lending businesses; properties requiring a short-term let licence but which do not have one; and shootings and deer forests with some exemptions (including vermin control).

3.9. 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).

3.10. 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.

3.11. 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. Islands and prescribed remote rural areas Retail, Leisure and Hospitality Relief

In December 2025, The Scottish Government announced in their Budget that they were extending the Island and Remote Areas Hospitality Relief to include Retail and Leisure Businesses.

On application 100% relief can be applied in 2026-27 for properties used for specified retail, leisure and hospitality purposes located on islands as defined by the Islands (Scotland) Act 2018, as well as in the specified areas of Knoydart, Scoraig and Cape Wrath.

All Retail, Leisure and Hospitality Relief is capped at £110,000 per business in 2026-27.

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.

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/

6. 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