

Business Rates 2025 to 2026

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 2025 to 31 March 2026, 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 5.6 pence. For example, if your rateable value is £60,000 multiply this by 55.4 pence to obtain an amount payable of

£33,240 for the year. The supplement on the poundage rate is 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

This relief looks at the gross amount of rates payable on a property at 31 March 2023 and the gross post-revaluation amount payable on 01 April 2023 and will limit increases in the following way:

- For properties with a post-revaluation rateable value of up to £20,000 the increase in the amount payable in 2023-24 was limited to 12.5%, in 2024-25 it was limited to 25% more than 2022-23 and in 2025-26 it will be limited to 37.5% more than 2022-23.
- For properties with a post-revaluation rateable value from £20,001 to £100,000, the increase in the amount payable in 2023-24 was limited to 25% more than 2022-23, in 2024-25 it was limited to 50% more than 2022-23 and in 2025-26 it will be limited to 75% more than 2022-23.
- For properties with a post-revaluation rateable value of over £100,00 the increase in the amount payable in 2023-24 was limited to 37.5% more than 2022-23, in 2024-25 it was limited to 75% more than 2022-23 and in 2025-26 it will be limited to 112.5% more than 2022-23.

3.2 The Small Business Bonus Scheme

This relief can only be awarded to properties that are in active occupation. If your property is unoccupied, you must apply for empty property relief instead. We cannot give this relief to payday lenders, advertising stations, car parks, car spaces or betting shops.

A separate application is needed for every property that you wish to apply for. You must declare any other properties in Scotland that you are, or were, liable for at the same time as the property you are now applying for.

The Small Business Bonus Scheme changed on 01 April 2023. You will qualify for Small Business Bonus relief on your occupied properties if the combined rateable value of all your properties in Scotland you are liable for is £35,000 or less and where the individual property has a rateable value of £20,000 or less.

Where you are liable for a single property and the rateable value is:

- £12,000 or less – 100% relief is awarded.
- Between £12,001 and £15,000 – relief is tapered from 100% to 25%
- Between £15,001 and £20,000 – relief is tapered between 25% to 0%

Where you are liable for more than one property and the combined rateable value is:

- £12,000 or less 100% relief is awarded to each property
- Between £12,001 and £35,000 and the individual property rateable value is £15,000 or less – 25% relief is awarded on this property
- Between £12,001 and £35,000 and the individual property rateable value is between £15,001 and £20,000 – relief is tapered between 25% and 0%

3.3. 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.

3.4. 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.

3.5. The Rural Rate Relief Scheme

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

3.5.1. 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.

3.5.2. 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.

3.6. 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.

3.7. 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.

3.8. 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 33.3% relief for 2025-26..

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 33.3 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

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. 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. Hospitality Relief

On the 19 December 2023, The Scottish Government announced in the Budget that they were introducing an Island and remote Areas Hospitality relief for the financial year 2024/25, this has been extended for 2025/26.

Up to 100% relief may be applied capped at a maximum amount by which the liability of any person to pay rates may be reduced to £110,000.

The Qualifying classes of Hospitality are

- Class 1 Bed and Breakfast Accommodation
- Class 2 Camping Site
- Class 3 Caravan
- Class 4 Caravan Site
- Class 5 Chalet, Holiday Hut or Bothy
- Class 6 Guest House, Hotel or Hostel
- Class 7 Public House
- Class 8 Restaurant

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: www.orkney.gov.uk
- Scottish Assessors' website: www.saa.gov.uk
- Scottish Government website: 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 www.orkney.gov.uk/our-services/enterprise-and-economic-growth/business-rates/business-rates-privacy-notice/