

Your Non Domestic Rates fact sheet

Duilleag fiosrachaidh nan Reataichean Gnothachais agaibh

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Non Domestic Rates relief schemes
Sgeamaichean faochaidh airson
Reataichean Gnothachais

1st April 2019 - 31st March 2020

Non Domestic Rates relief schemes

Sgeamaichean faochaidh airson Reataichean Gnothachais

The Highland Council administers relief of Non Domestic Rates. For further advice and information, please get in touch with our Non Domestic Rates Team.

Email: nondomesticrates@highland.gov.uk

Please do not send personal or sensitive information to this email address.

Phone: **01463 702984**

Application forms are available on the Council's website:

www.highland.gov.uk/businessratesdiscounts

Please note that you do not need to employ a third party/agent to apply for any rating relief on your behalf. Our advice is free and we will consider your application at no cost to yourself.

A link to the Scottish government website is below. The website contains legislation and information on relief schemes.

www.gov.scot/policies/local-government/non-domestic-rates

Note on State Aid

Certain rates reliefs are likely to amount to state aid under the European Community (EC) regulations 1998/2006 (de minimis aid regulation).

What is state aid?

State aid is an EC term which refers to forms of public assistance, given to undertakings on a discretionary basis, which have the potential to distort competition and affect trade between member States of the EU.

Examples of state aid can include:

- Grants to firms for investment, research and development, employee training
- Loans and guarantees below market value
- Free or subsidised consultancy advice
- Cash injections to, and writing off losses of public enterprises
- Sale or lease of public land or property at discounted rates
- Discretionary deferral of or exemption from tax, social security and other payments to the State
- Funding/cash injections to social enterprises and charitable organisations who are engaged in commercial activity
- Other categories or rating relief, including rating relief granted by other Local Authorities.

Are there limits to state aid?

Yes. There is a ceiling of €200,000 for all de minimis aid provided to any recipient over a three year rolling period.

Small Business Bonus Scheme

The Scheme provides relief to ratepayers with properties in Scotland with a combined rateable value of £18,000 or less.

The Scheme provides the following relief from 1 April 2019:

Combined rateable value of all nondomestic properties in Scotland	2019/20 onwards:
Up to £15,000	100%
£15,001 to £18,000	25%
Upper limit for cumulative rateable value £35,000*	25%

* This will allow a ratepayer with 2 or more properties with a cumulative rateable value of between £18,001 and £35,000 to qualify for relief at 25% on individual properties with a rateable value of £18,000 or less.

Relief can still be claimed for prior financial years - apply now if you haven't claimed your entitlement.

This relief operates under State Aid de minimis rules.

Transitional Relief – New for 2019/20

Please note you need to reapply for transitional relief in 2019/20. An application is required to ensure state aid de minimis rules are not breached.

New applications can be considered from 1 April 2019.

The transitional relief scheme is continuing into 2019/20 for eligible hospitality sector property (as detailed below) with a rateable value not exceeding £1,500,000. As per The Non Domestic Rates (Transitional Relief) Amendment (Scotland) Regulations 2019, the increase in gross liability from 2016/17 to 2019/20 is capped at 52.7%. If the increase in your gross liability from 2016/17 to 2019/20 is less than 52.7% you will not qualify for transitional relief in 2019/20.

In order to qualify for transitional relief a property must be occupied and used for a purpose specified below:

- Bed and breakfast accommodation
- Camping Site
- Caravan
- Caravan Site
- Chalet and holiday hut
- Guest House, hotel and hostels
- Public House

- Restaurants
- Self-catering holiday accommodation
- Timeshare accommodation

Transitional Relief (cont'd)

The Scottish Government legislation specifically includes that Transitional Relief can only be considered on application basis.

This relief operates under State Aid de minimis rules.

District Heating Relief–

50% relief is available to properties used wholly or mainly as a district heating network if qualifying criteria are met. This relief operates under State Aid de minimis rules.

Empty Property Relief

There are different levels of relief for non-industrial and industrial properties.

Non-industrial properties eg. offices, shops are entitled to 50 % relief for 3 months and thereafter 10% relief will apply (unless exempt eg. RV less than £1700, listed building etc.) Industrial properties eg. warehouses are entitled to 100% relief for 6 months and thereafter 10% relief will apply (unless exempt eg. RV less than £1700, listed building etc.)

Please note that relief is granted to the property and not each individual applicant.

Fresh Start Scheme -

Fresh start of 100% for 12 months is available for eligible property with a rateable value not exceeding £65,000 **which has been in receipt of** empty property relief for a period of 6 months immediately preceding new occupation. Prior to 1 April 2018 a property had to have been in receipt of empty relief for 12 months and the relief entitlement was 50%.

This relief operates under State Aid de minimis rules.

Charity and Registered Community Amateur Sports Club Relief

Where your organisation is a registered charity, listed on the register maintained by the Office of the Scottish Charity Regulator (OSCR), or has a tax exemption certificate and the property occupied by your organisation is used “wholly or mainly for charitable purposes”, you may be entitled to 80% mandatory rates relief. The Highland Council will determine whether a property is being used “wholly or mainly for charitable purposes” and has discretionary powers to top up this relief to 100%. The same levels of

mandatory and discretionary relief are available to registered community amateur sports clubs. Eligible licensed sports clubs can qualify for 80% relief.

Community Interest Companies which are “asset locked” can qualify for 80% mandatory relief with a top-up to 100% at the discretion of The Highland Council. Please contact us for further information.

Non-Profit Making Organisations Relief

The Highland Council has discretion to give relief up to 100% to premises occupied by non-profit making organisations and clubs for activities related to education, social welfare, science, literature or the fine arts and community halls.

Statutory Exemption for Churches, Chapels and Church Halls

Full exemption of rates can be awarded to properties occupied by religious bodies providing they are used for the purposes of that body and no profit is derived from any other use.

Rural Rate Relief

Certain types of properties in a rural settlement with a population below 3,000 may be entitled to relief. Thresholds of rural rate relief are detailed here:

Thresholds 2019/20 ongoing

Shop, general store or Post Office	£8,500
Petrol filling station or sole, singly owned pub	£12,750

To qualify, these properties must be occupied and an eligible ratepayer is entitled to relief at 100% of the full charge.

The Highland Council can also give relief to certain other occupied property in a rural settlement where the rateable value is less than £17,000.

This relief operates under State Aid de minimis rules.

Disabled Relief

Up to 100% relief can be awarded to properties occupied by organisations where their activities are related to the residential care or training of disabled persons.

Renewable Energy Relief

A targeted relief for renewable energy producers who are solely concerned with the production of heat or power (or both) from the following sources where the qualifying criteria are met:

- Biomass
- Biofuels
- Fuel cells
- Photovoltaics
- Water (including waves and tides, but excluding production from the pumped storage of water)

Wind
Solar power
Geothermal sources

Heat or power produced by Combined Heat and Power (CHP) systems is not classed as renewable unless that system uses only sources of energy described in the points above and has an electrical capacity of 50 kilowatts or less.

Up to 100% relief is offered which will support these producers' central role in the climate change agenda and promote expansion of the sector. This relief operates under State Aid de minimis rules.

Qualifying renewable properties **with community investment** which receive a specific monetary return qualify as detailed below:

Rateable value	Percentage of rates relief
£145,000 or less	100%
More than £145,000 but not exceeding £430,000	50%
More than £430,000 but not exceeding £860,000	25%
More than £860,000 but not exceeding £4,000,000	10%
More than £4,000,000	2.5%

Qualifying hydro renewable properties with no community investment are entitled to the following levels of relief:

Rateable value under than £5,000,000	60%
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This relief operates under State Aid de minimis rules.

Day Nursery Relief

100% relief is available for property used wholly or mainly as a nursery school (early learning and childcare) which also provides day care. Day care sessions should be a minimum of two hours per day and not be part of school activities. Further details are available at www.highland.gov.uk/businessratesdiscounts

This relief operates under State Aid de minimis rules.

New and Improved Property Relief

New and Improved Relief is granted under the terms of The Non Domestic Rates (New and Improved Properties) (Scotland) Regulations 2019.

Rates relief can be awarded to properties newly entered on the valuation roll and to properties that have had improvements carried out.

Qualifying conditions;

New entry property – completely new entry (new build) entered in roll. The new property cannot be part of an entry previously shown on the roll.

Property improvements – subjects which are shown in an existing entry for which there is **an increase in rateable value** caused by the refurbishment, expansion or alteration of one or more of the buildings in the entry. The increase in rateable value cannot be caused by the combination, division or reorganisation of any subject that was shown in a **different** entry or by a change of use.

Relief levels –

New entries that are vacant when they appear on the roll receive 100% relief while the property is empty and this is for an unlimited time.

New entries that are occupied when they first appear on the roll or are vacant but then become occupied will receive 100% relief for 12 months from the date of first occupation.

Improvement relief can be awarded when a property is empty or occupied. Ratepayers can apply for this relief for each increase in rateable value from 1.4.18. Improvement relief restricts the rates payable to the level payable prior to any increase in rateable value. Please note the relief is 100% of the increase in rates but does not negate the full rates liability. Relief of the increase in rates is granted for 12 months.

Relief must be applied for by completion of an application form.

Partly Occupied Property Relief

Where part of a property is unoccupied and will remain so for a short time only, The Highland Council may request the Assessor to apportion rates between the occupied and unoccupied parts. Relief is available on the unoccupied part providing other conditions are satisfied.

Hardship Relief

The Highland Council has discretion to give relief in special circumstances.

This relief operates under State Aid de minimis rules.

Enterprise Areas

Rates relief is available to businesses that newly occupy property within specified enterprise areas. To qualify, these businesses must carry out pre-determined activities within specific sectors in fixed geographic boundaries as set out below:

Inverness Campus -Life Science Enterprise Area

Scrabster-Low Carbon Renewables North Enterprise

This relief operates under State Aid de minimis rules.

Rateable value	Percentage of rates relief from 1 Apr 15
£120,000 or less	100%
More than £120,000 but not exceeding £240,000	50%
More than £240,000 but not exceeding £480,000	25%
More than £480,000 but not exceeding £1,200,000	10%
More than £1,200,000 but not exceeding £2,400,000	5%
More than £2,400,000	2.5%

This relief operates under State Aid de minimis rules.

Further information and application forms are available on our website: www.highland.gov.uk/businessratesdiscounts

Change of Circumstances

Change of ownership, tenancy or occupancy? Have you vacated or moved into a property?

Please make sure you tell us.

Changes should be notified immediately by contacting us in writing, contact details below.

You can access a change of circumstances form on the Council's website:

www.highland.gov.uk/nondomesticrates click on 'Change of circumstances form'.

Help us to help you

Pay your Non Domestic Rates charges by direct debit, phone us today on

01463 702984

Remember to have your bank account number, sort code and details of the account holders ready.

Around 5,000 customers in the Highlands already pay their Non Domestic Rates by Direct Debit.



We hold an Equalities Register of people who have particular needs e.g. visual impairment. To have your name added to this Register or to request this fact sheet and further information/application forms regarding Non Domestic Rates in an alternative format e.g. Large print, braille, audio or suitable language, please contact the Non Domestic Rates Team. →



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