

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 2025 - 31st March 2026

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.

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

Important note on the Subsidy Control Act 2022

Some reliefs are affected by subsidy control rules.

Non Domestic Rates Relief may be offered as a Minimum Financial Assistance (MFA) subsidy under section 36 (1) of the Subsidy Control Act 2022. MFA is capped at a maximum of £315,000 over a three-period – cumulated over the current and previous two financial years.

To ensure that The Highland Council complies with the subsidy regime, it may be required to cap relief at the MFA maximum limit. This may depend on:

- the level of other public sector assistance received by your entity
- whether or not you have an interest in any business with other properties that is in receipt, or eligible, for one of the existing rate relief schemes

NOTE: not all grants or reliefs are considered to be capped in this way.

You must consider whether you have already received support from any public sector body in the current financial year and the two financial years immediately preceding this. The Highland Council will determine this from the completed Subsidy Information Declaration Form issued with your application.

New Hospitality Relief available from 1 April 2025 – this new relief is available to designated hospitality properties from 1 April 2025. 40% relief is available for properties with a rateable value of £51,000 or less, capped at a sum of £110,000 per ratepayer throughout Scotland. [The Non-Domestic Rates \(Hospitality Relief\) \(Scotland\) Regulations 2025](#). Applications and further information are available here: [Non-Domestic Rates Hospitality Relief | Business rates discounts | The Highland Council](#)

Islands and Remote Areas Relief

This relief for Scottish Islands and designated remote areas (Cape Wrath Knoydart and Scoriag) will continue into 2025/26. From 1 April 2025 small music venues are now eligible to apply. If you were in receipt of this relief in 2024/25 you will need to reapply in 2025/26. The regulations are here: [The Non Domestic Rates \(Islands and Remote Areas Relief\) \(Scotland\) Regulations 2025](#)

The types of hospitality properties eligible are detailed within the above regulations in the schedule at the end.

A definition of an island and the location of the eligible remote areas are detailed in the links below:

- [definition of an island \(external link\)](#)
- [Remote Areas within The Highland Council area \(external link\)](#)

You should not apply for Islands and Remote Areas Hospitality Relief if your property is already in receipt of 100% non-domestic rate relief (such as the [small business bonus scheme](#)).

Small Business Bonus Scheme

Small Business Bonus Scheme (SBBS) - Small Business Bonus was reformed on 1 April 2023. 100% SBBS relief will continue to be available for single properties with a rateable value up to £12000 (previously £15000). The upper rateable value threshold for individual properties to qualify for SBBS relief is increasing from £18000 to £20000. Relief will taper from 100% to 25% for properties with rateable values between £12001 and £15000; and from 25% to 0% for properties between £15001 and £20000. The cumulative threshold of £35000 is remaining. Car parks, car spaces, advertisements and betting shops are excluded from eligibility (from 1 April 2023).

Small Business Bonus Transitional Relief - from 1 April 2023 this scheme will cap the increase in gross liability as a result of the changes in SBBS regulations and or a reduction in relief entitlement due to a change in rateable value because of Revaluation. The maximum increase in rates liability relative to 31 March 2023 will be capped at £600 in 2023/24, rising to £1,200 in 2024/25 and £1,800 in 2025/26. This relief applies to properties now excluded from applying. (cont'd overleaf).

The SBBS application form covers both Small Business Bonus and Small Business Bonus Transitional Relief (if applicable). You can apply here: www.highland.gov.uk/sbbs

Please note that different levels of are available prior to 1 April 2023, details are available from the Rates Team.

Transitional Relief – for 2023/24, 2024/25 and 2025/26

Revaluation Transitional Relief from 1 April 2023

A Revaluation Transitional Relief scheme has been introduced by the Scottish Government from 1 April 2023 to cap the increase in gross rates liability (in cash terms) due to revaluation. The caps in gross liability in 2023-24 will be 12.5% for small properties, 25% for medium properties and 37.5% for large properties. The scheme operates for 3 years from 1 April 2023. Details of the year-on-year caps (%) are shown in the table below:

Rateable Value	2023-24	2024-25	2025-26
Small (up to £20,000)	12.5%	25.0%*	37.5%*
Medium (£20,001 to £100,000)	25.0%	50.0%*	75.0%*
Large (over £100,000)	37.5%	75.0%*	112.5%*

*The increase is calculated on your 2023-24 net charge (after transitional relief is granted) and in 2025/26 the increase will be calculated on your 2024/25 net charge (after transitional relief is granted).

You do not need to apply for Transitional Relief for your Rates bill(s). The Council will identify how much is due and automatically deduct all amounts due from your rates bill.

District Heating Relief

90% relief is available to properties used wholly or mainly as a district heating network if qualifying criteria are met.

Empty Property Relief

Unoccupied relief

As of 1 April 2023 each Scottish local authority has full autonomy in setting the rating reductions available to empty non domestic rates properties. For the 2023/2024 financial year, The Highland Council agreed to retain reductions at the same level as the statutory provisions available on 31 March 2023. A reduction in non



domestic rates is available for properties that are unoccupied and empty of all items including stock and fittings and fixtures.

From 1 April 2024 a revised empty property policy will be phased in over 3 years. The Highland Council's Empty Property Relief Scheme from 1 April 2024 is as follows:

If you received a 100% discount in the 2023 to 2024 financial year:

- in 2024 to 2025 your discount will be 50%
- in 2025 to 2026 your discount will be 25%
- in 2026 to 2027 your discount will be 10%
- in 2027 to 2028 there will be no discount, full charge

If you received a 50% discount in the 2023 to 2024 financial year:

- in 2024 to 2025 your discount will be 10%
- in 2025 to 2026 your discount will be 5%
- in 2026 to 2027 there will be no discount, full charge

If you received a 10% discount in the 2023 to 2024 financial year:

- in 2024 to 2025 your discount will be 10%
- in 2025 to 2026 your discount will be 5%
- in 2026 to 2027 there will be no discount, full charge

These reductions are applied to the property and not to each individual applicant.

The categories of property eligible for 100% exemption are:

- properties where the person entitled to possession is a trustee for sequestration, liquidation or an executor
- occupation prohibited by law, public authority or the Crown (evidence will be required)
- owner in administration (unless trading)

Partly occupied property relief

You are liable for the full non-domestic rate whether your property is occupied or only partly occupied. However, if a property becomes partly occupied for a short period of time due to a downturn in trade, we can award relief for the unoccupied part if qualifying criteria are met. Relief can only be considered from/in the year of application.

Please note unoccupied relief (including partial unoccupied relief) is not awarded to seasonally occupied property.

Fresh Start Scheme

- Fresh start relief of 100% for 12 months is available for eligible property with a rateable value not exceeding £100,000 **which has been unoccupied** for a period of 6 months immediately preceding new occupation.



Property occupied by a pay day lender does not qualify.

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% relief 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 2024/25 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 is subject to Subsidy Rules under the EU-UK Trade Co-operation Agreement (TCA).

Rural transitional relief is available on similar terms to the small business bonus transitional scheme.

Further information and an application form is available here: [Transitional relief | Business rates discounts | The Highland Council](#)

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.

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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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

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 2018 as amended.

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 in the valuation roll, subject to qualifying criteria. The new entry cannot be part of an entry previously shown on the roll the day before the new entry takes effect, have previously been shown in the Council Tax List or previously have been exempt from valuation for example agricultural property.

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 including improvements as a result of a concurrent change of use. The increase in rateable value cannot be caused by the combination, division or reorganisation of any subject that was shown in a **different** entry.

Relief levels –

New entries that are vacant when they appear on the roll receive 100% relief while the property is empty for up to 4 years.

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. 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.



Hardship Relief

The Highland Council has discretion to give hardship relief in special circumstances. This relief is subject to Subsidy Rules under the EU-UK Trade Co-operation Agreement (TCA).

Enterprise Areas

Rates relief is available to businesses that newly occupy property within specified enterprise areas, namely Inverness Campus - Life Science Enterprise Area Scrabster - Low Carbon Renewables North Enterprise. Relief is available until 31 March 2026. To qualify, these businesses must carry out pre-determined activities within specific sectors in fixed geographic boundaries. The pre determined activities are detailed here:
<https://www.gov.scot/publications/local-government-finance-circular-4-2022-non-domestic-rates-relief-guidance/pages/27/>

Rateable value	Percentage of relief available for 2023/24	Percentage of relief available for 2024/25	Percentage of relief available for 2025/26
£120,000 or less	100%	66.7%	33.3%
More than £120,000 but not exceeding £240,000	50%	33.3%	16.7%
More than £240,000 but not exceeding £480,000	25%	16.7%	8.3%
More than £480,000 but not exceeding £1,200,000	10%	6.7%	3.3%
More than £1,200,000 but not exceeding £2,400,000	5%	3.3%	1.7%
More than £2,400,000	2.5%	1.75%	0.8%

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

