
Report To:	Policy & Resources Committee	Date:	4 June 2024
Report By:	Chief Financial Officer	Report No:	FIN/31/24/TB/LA
Contact Officer:	Alan Puckrin	Contact No:	01475 712090
Subject:	Non-Domestic Rates: Mandatory and Discretionary Relief Policy		

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 The purpose of this report is for the Committee to review and approve the updated Non-Domestic Rates Relief Policy to reflect the fact that new legislation and amendments to existing legislation have been introduced since the Non-Domestic Rates Relief Policy was last reported in February 2018.
- 1.3 The proposed Non-Domestic Rates Relief Policy has been updated with legislative changes and incorporates the Council's Non-Domestic Rates Empty Property Relief Policy (NDR EPR), agreed in January 2023 and amended in February 2024.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that Committee note the large number of legislative amendments made to Non-Domestic Rates Relief by the Scottish Government since the policy was last reviewed.
- 2.2 It is recommended that Committee review the proposed Non-Domestic Rates Mandatory and Discretionary Relief Policy, attached at appendix 1 noting that amendments are recorded on the Policy Change template attached at appendix 2.
- 2.3 It is recommended that the Committee thereafter approve the proposed Non-Domestic Rates Mandatory and Discretionary Relief Policy.

Alan Puckrin
Chief Financial Officer

3.0 BACKGROUND AND CONTEXT

- 3.1 Non-Domestic Rates reliefs can be awarded under two categories where specific criteria must be met: Mandatory Relief where the criteria are set in legislation and there is no cost to the Council; and Discretionary Relief where the Council has discretion within legislation to determine criteria and limits to the relief. Mandatory relief can be provided at the rate of 100% or at rate up to 100% of the rates charged. The level of Discretionary relief granted and met by Government ranges from 0%, 75% and in limited circumstances, 100%. The balance of Discretionary relief expenditure is met by the Council. In certain circumstances where Mandatory Relief is awarded at less than 100% of the rates charged, Discretionary Relief may be awarded where criteria are met.
- 3.2 Discretionary Relief can support rates due on properties occupied by charities, sports clubs and community amateur sports clubs. Empty property, hardship and rural rates reliefs are also within the Discretionary category.
- 3.3 The Non-Domestic Rates Relief Policy was last reviewed by Committee in February 2018 when aspects of the Council's Discretionary relief policies were changed, taking effect from April 2018.

Main Changes Since the 2018 Review

- 3.4 The policy has been reviewed and updated to include new Mandatory reliefs and several legislative amendments which are generally changes to rateable value thresholds, levels of relief and qualifying periods. The Non-Domestic Rates Empty Property Relief Policy, agreed in January 2023 and amended in February 2024 has also been incorporated. The New Start Relief scheme ended on 31 March 2020 and has been removed. The proposed draft Non-Domestic Rates Mandatory and Discretionary Relief Policy is attached at appendix 1 and proposed amendments are recorded on the Policy Change template attached at appendix 2.
- 3.5 New and amended Mandatory Reliefs introduced since the last policy review:
- Renewable Energy Relief
 - District Heating Relief
 - Business Growth Accelerator Relief
 - Day Nursery Relief
 - Mobile Mast Relief
 - New Fibre Relief
 - General Revaluation Transitional Relief
 - Small Business Transitional Relief
 - Parks Transitional Relief
- 3.6 New and amended Mandatory reliefs of note are Business Growth Accelerator Relief and changes to Fresh Start Relief. Both relief support business development. The Business Growth Accelerator Relief supports new and improved properties for a year after occupation. Certain types of business properties will be eligible for 100% relief until a year after first occupation. The relief ensures that no increase in non-domestic rates is payable for a year in respect of certain property improvements. Fresh Start Relief, intended to support the occupation of most types of vacant properties was increased from 50% to 100% from 1 April 2018 and over time the rateable value upper threshold to qualify for the relief has increased from £45,000 in 2013 to £100,000 since 2023.
- 3.7 Transitional reliefs were introduced in 2023/24 to ease the impact of the Non-Domestic Rates revaluation of 2023. It is provided through General Revaluation Transitional Relief awarded without application from businesses from 1 April 2023 until 31 March 2026 and Small Business

Transitional Relief is available to applicants from 1 April 2023 until 31 March 2026. Transitional relief is available to support premises in parks, included for the first time on the NDR roll from 1 April 2023. The relief is available to applicants from 1 April 2023 until 31 March 2025.

- 3.8 Rates relief can be backdated to the start of the financial year in which the application is made or in certain circumstances and subject to the provision of robust supporting evidence, over several years. The proposed draft policy contains the criteria and conditions for each relief during 2024/25 and prior years for this reason.
- 3.9 Temporary provision of rates relief in response to the impact of Covid for businesses in the retail, hospitality and leisure sector in 2021/22 and during the first three months of 2022/23 are not included in the proposed policy.
- 3.10 Non-Domestic Rates legislation is extensive and complex and while the Policy provides key criteria and conditions of relief, more detail is found in the respective legislation.
- 3.11 Empty Property Relief was provided as a Mandatory Relief until 31 March 2023. The Non-Domestic Rates Empty Property Relief Policy which took effect from 1 April 2023 was agreed in January 2023 and amended in February 2024 is a Discretionary relief has been incorporated into the Discretionary Relief section of the proposed draft Non-Domestic Rates Relief Policy.

4.0 PROPOSALS

- 4.1 The proposed Non-Domestic Rates Relief Policy is attached as Appendix 1 and a summary of the changes from the current Policy is attached as Appendix 2. A helpful executive summary provided by the Scottish Government is attached at Appendix 3.

5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendations are agreed:

SUBJECT	YES	NO
Financial	X	
Legal/Risk	X	
Human Resources		X
Strategic (Partnership Plan/Council Plan)		X
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing		X
Environmental & Sustainability		X
Data Protection		X

5.2 Finance

The cost to the Council of the proposals in the proposed policy, excluding Empty Property Relief was £76,000 in 2020/21; £74,500 in 2021/22; £77,800 in 2022/23; and £99,500 in 2023/24. The increased cost in 2023/24 was due to a change in the relief category of a group of properties attract. These costs are expected to continue. The latest position of the cost of the Empty Property Relief aspect of the proposed draft policy in 2022/23 was £338,000 and £308,500 in 2023/24. The Council's budget from the share of the Government allocation for Empty Property Relief is £500k for each of the three years of the settlement. The balance of this budget has been retained to smooth the variable demand and to be reinvested to support local businesses to occupy commercial properties which have been vacant for a period.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
Finance	Discretionary Relief	2024/25	Up to £596k		Contained in existing Budgets

5.3 **Legal/Risk**

Legal Services assisted with the development of the changes to the Non-Domestic Rates Empty Property Relief Policy (NDR EPR) agreed in February 2024, now incorporated into the proposed draft Non-Domestic Rates Mandatory and Discretionary Relief Policy.

As the devolution of NDR EPR to councils is for an initial 3 year period there is the risk that this Policy could revert to a Scotland wide basis in the medium term.

5.4 **Human Resources**

There are no HR implications arising from this report.

5.5 **Strategic**

There are no strategic matters arising.

5.6 **Equalities, Fairer Scotland Duty & Children/Young People**

(a) Equalities

This report has been considered under the Corporate Equalities Impact Assessment (EqIA) process with the following outcome:

	YES – Assessed as relevant and an EqIA is required in relation to the proposed change to the Non Domestic Rates Empty Property Relief Policy.
X	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, assessed as not relevant and no EqIA is required. The proposed draft policy is updated with Scottish Government legislative changes and incorporates Inverclyde Council’s Empty Property Relief Policy which was subject to an Equalities Impact Assessment when the policy was agreed in February 2024.

7.0 CONSULTATION

7.1 No consultation was required.

8.0 BACKGROUND PAPERS

8.1 None.

Non-Domestic Rates

Relief Policy

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Inverclyde Council – Finance Services Revenues and Benefits

Document Control

Prepared by:
Approved by:

Liz Brown
Policy & Resources Committee

October 2013
November 2013

Change Control Table

Version	Version Date	Revised By	Reason for Change
2.0	February 2018	L. Brown	Policy & Resources Committee. Section 11
3.0	June 2024	T. Bunton	Policy & Resources Committee. Sections 1, 4, 6, 9, 10, 11, 12, 13, 15, 16, 17, 25,27, 28.

Inverclyde Council – Finance Services Revenues and Benefits

Table of Contents	Page(s)
Introduction	5
Mandatory Relief	
1 Charitable Relief	7
2 Rural Rates Relief	9
3 Disabled Persons Relief	11
4 Small Business Bonus Scheme	12
5 Community Amateur Sports Clubs	14
6 Renewable Energy Relief	15
7 Fresh Start Relief	18
8 District Heating Relief	20
9 Business Growth Accelerator Relief	21
10 Day Nursery Relief	22
11 Mobile Mast Relief (Not applicable)	23
12 New Fibre Relief	24
13 Reverse Vending Machine	25
14 General Revaluation Transitional Relief	26
15 Small Business Transitional Relief	27
16 Parks Transitional Relief	28
Discretionary Relief	
17 Charitable/Non Profit Making Organisations	30
18 Sports Clubs	34
19 Community Amateur Sports Clubs	36
20 Short Term Part Empty Relief	38
21 Hardship Relief	42
22 Stud Farms	44
23 Rural Rates Relief	45

Inverclyde Council – Finance Services Revenues and Benefits

Appendix 1

24	Empty Property Relief	46
25	Appeals Process	49
26	Financial Implications	50
27	Review of Policy	50

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Introduction

There are a number of types of reliefs that can be claimed by Non Domestic (Business Rates) payers and they fall into two main categories. **Mandatory Relief** where the criteria are set nationally and there is no cost to the authority; and **Discretionary Relief** that can also only be awarded where certain criteria are met but the Council has the discretion to determine additional criteria and limits to the relief.

The level of discretionary relief granted and met by Government ranges from 0%, 75% and in limited circumstances, 100%. The balance of discretionary relief expenditure is met by the Council.

This document sets out the criteria for awarding all relief and the policy of Inverclyde Council with regards to discretionary reliefs.

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Mandatory Relief

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1. Charitable Relief

1.1 Background

Registered Charities or Trustees for a charity that uses its business premises wholly or mainly for the purposes of the charity may be eligible for an 80% reduction in their Rates bill. This is generally referred to as **Mandatory Relief** and is awarded in accordance with Section 4(2) and (8) of the Local Government (Financial Provisions etc.) (Scotland) Act 1962

The Council is obliged to grant relief to premises which fall within the mandatory category and is subsequently recompensed for any amounts granted.

1.2 Council Policy

The Council is obliged to grant relief to premises which fall within the mandatory category and is subsequently recompensed for any amounts granted. 80% Mandatory Relief will be awarded in respect of all applications that meet the eligibility criteria specified below and fulfil all the requirements of the application process.

1.3 Eligibility

The following conditions must be met before the Council can consider an application:

- (a) The Property must be occupied by a charity or a trustee of a charity listed on the register maintained by the Office of the Scottish Charity Regulator (OSCR)
- (d) The organisation must use the premises for charitable purposes, i.e. (i) the relief of poverty, (ii) the advancement of religion, (iii) the advancement of education, (iv) other purposes beneficial to the community.
- (c) The application must provide sufficient information to allow officers of the Council to determine whether the organisation is of a quasi-charitable nature in terms of Section 4 (5) of the Local Government (Financial Provisions Etc) (Scotland) Act, 1962.
- (d) Entitlement is reviewed periodically, and on any change of occupation and/or use relief may be curtailed
- (e) Charity shops can also receive 80% Mandatory Relief in terms of the *Rating (Charity Shops) Act 1976*.

Charity shops will be treated as being wholly or mainly used for charitable purposes if the following criteria are met:

- (i) Wholly/mainly used for the sale of goods donated to the charity AND
- (ii) Proceeds of the sale of goods are used for purposes of the charity.

It should be noted that not all goods sold in charity shops are donated. When assessing entitlement to this type of relief, officers should be satisfied that goods which are not donated are less than 50% of the stock sold in the shops.

1.4 Application Process

In order to make an application for Mandatory Relief an application form must be fully completed and submitted with supporting evidence:

- A copy of the organisation's constitution.
- The last 2 years financial statements in respect of the property for which relief is being applied. If the organisation has not started to occupy the property, a statement of the anticipated income and expenditure in respect of the first 12 months.
- A copy of the letter from the Inland Revenue stating acceptance as a charity for tax purposes, if applicable.
- The Council may also require ratepayers to provide any other information it sees as reasonable when considering an application for relief.

All applications will be authorised by the Revenues & Recovery Team Leader prior to processing relief.

1.5 Backdating

Where an application for relief is received in the first 6 months of the financial year, then relief can be backdated to the start of the previous financial year provided the organisation satisfied the requirements at that time.

Where an application is made after the first 6 months of the financial year then relief can only be granted from the start of that year except in exceptional circumstances such as the original application being made timeously but not able to be traced.

1.6 Cancellation

Where a decision is made to cancel a mandatory relief the ratepayer must be given 12 months' notice in writing.

2. Rural Rates Relief

2.1 Background

The Local Government and Rating Act 1997 made provision that certain types of businesses located within a rural settlement with a population below 3,000, and in an area designated as rural by Scottish Ministers, may be eligible for mandatory relief of rates.

Eligible premises listed at (2.3) are entitled to mandatory 50% rate relief, with Councils having discretionary powers to top up this relief to 100%. From 1 April 2017 the eligible premises are entitled to 100% mandatory relief.

Councils also have discretionary powers to grant up to 100% rate relief to properties within a rural settlement with a rateable value of £17,000 or less, used for purposes that are beneficial to the local community.

Local Authorities are required to compile and maintain a Rural Settlement List, which must include areas where:

- i) Population is not more than 3,000, AND
- ii) Within an area designated by the Scottish Government as a rural area.

2.2 Council Policy

The Council is obliged to grant relief to premises which fall within the mandatory category and is subsequently recompensed for any amounts granted. 50% Rural Rates Relief up to 31 March 2017 and 100% from 1 April 2017 will be awarded in respect of applications that meet the eligibility criteria specified below and fulfil all the requirements of the application process.

2.3 Eligibility

Business that may qualify for this relief, together with the rateable value thresholds, are:

- the only general store or post office with a rateable value of £8,500 or less;
- a food shop with a rateable value of £8,500 or less;
- the only public house/small hotel (with appropriate license), with a rateable value of £12,750 or less;
- a petrol filling station with a rateable value of £12,750 or less.

Where a property is located in a rural settlement and its rateable value does not exceed the statutory maximum for rural rates relief, the Council may make an award of discretionary rural rates relief, provided that the property in question is being used for purposes which benefit the local community and the award of relief will generally serve the interests of council tax payers

The Subsidy Control Act 2022 (“the Act”) is applicable from 4 January 2023. This relief is likely to be considered a subsidy under the Act. Public authorities should consider whether this relief is awarded as Minimal Financial Assistance (MFA), or whether it meets the other subsidy control requirements of the Act. This relief is listed in the Non-Domestic Rates (Restriction of Relief) (Scotland) Regulations 2023.

2.4 Application Process

In order to make an application for Rural Rates Relief an application form must be fully completed and submitted with supporting evidence:

All applications will be authorised by the Revenues & Recovery Team Leader prior to processing relief.

2.5 Backdating

An application for relief can be backdated to the start of the financial year in which the application is made provided the organisation satisfied the requirements at that time.

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3. Disabled Persons Relief

3.1 Background

Relief of up to 100% is available to establishments where nursing care is provided within the terms of the Rating (Disabled Persons) Act 1978.

3.2 Council Policy

The Council is obliged to grant relief to premises which fall within the Disabled Persons Relief category and is subsequently recompensed for any amounts granted. Disabled Persons Relief will be awarded in respect of all applications that meet the eligibility criteria specified below and fulfil all the requirements of the application process.

3.3 Eligibility

Local Authorities can grant relief where half or more of the floor area is used exclusively for one or more of the following purposes:

- Provision of residential accommodation for the care (* see below) of persons suffering from illness or for the aftercare of persons who have suffered from an illness
- Provision of facilities for the training or keeping suitably occupied persons suffering from illness or who have been ill
- Provisions of welfare services for the disabled
- Provision of facilities under *Section 15 of the Disabled Persons (Employment) Act 1944*
- Provision of workshop or other facility under the *Disabled Persons (Employment) Act 1958*

*“Care” in this context does not include medical, surgical or dental treatment.

The applicant must be registered with the Council HSCP or Care Commission.

3.4 Application Process

An application must be made in writing and the applicant must submit all relevant information required in order to make a determination. This would include details of the type and number of residents and a floor plan.

The amount of relief granted is normally 100% of the normal rates payable in respect of the part of the premises used under the scope of the qualifying criteria. The Assessor will be required to certify the Value of this part

Premises should be reviewed each year, with a view to establishing change of use of qualifying/non-qualifying areas.

3.5 Backdating

Relief can be granted from the start of the financial year in which the application is made and can only be backdated in exceptional circumstances.

4. Small Business Bonus Scheme

4.1 Background

The Small Business Bonus Scheme was introduced on 1 April 2008 and replaced the Small Business Rates Relief Scheme.

The Small Business Bonus Scheme provides a discount of up to 100 percent on bills for eligible business properties with a cumulative rateable value of £35,000 or less, (£25,000 or less up to 31 March 2017), subject to eligibility.

Combined Rateable Value of all business properties in Scotland	From 1 April 2017
Up to £15,000	100%
£15,001 to £18,000	25%
Upper limit for cumulative RV* £35,000	25%

*25% on each individual property with a rateable value of £18,000 or less

* Small Business Bonus cannot be awarded to unoccupied properties with effect from 1 April 2020

From 1 April 2023 the thresholds for the Small Business Bonus Scheme were changed

For ratepayers with only one non-domestic property with a rateable value:

- up to and including £12,000 - 100% relief (no rates payable)
- from £12,001 to £15,000 – tapers from 100% to 25% relief
- from £15,001 to £20,000 – tapers from 25% to 0% relief

For ratepayers with more than one property and where the total (cumulative) rateable value of all non-domestic properties is £12,000 or less, the relief is 100% (no rates payable).

For ratepayers with more than one property and where the total rateable value of all non-domestic properties is between £12,001 and £35,000, then relief:

- is 25% on each individual property with a rateable value of £15,000 or less
- tapers from 25% to 0% for individual properties with rateable values from £15,001 to £20,000

The Small Business Bonus Scheme is not available to advertisements, car parks, betting shops or payday lending businesses.

4.2 Council Policy

The Council is obliged to grant relief to premises which fall within the Small Business Bonus Scheme Relief category and is subsequently recompensed for any amounts granted. Small Business Bonus Scheme Relief will be awarded in respect of all applications that meet the eligibility criteria specified below and fulfil all the requirements of the application process.

4.3 Eligibility

The level of relief under the Scheme for each individual ratepayer will depend on:

- the **cumulative** rateable value of **all** properties in Scotland of which the business is in rateable occupation or (if vacant) which the business is entitled to occupy.
- whether or not each property is eligible for one of the existing rates relief schemes
- the level of other public sector assistance received by the business.

4.4 Application Process

The Small Business Bonus is an application-based scheme; businesses require to apply to each local authority area in which the business has a property. All business premises which the business occupies or is entitled to occupy must be declared on the application form and will be taken into account when determining the level of relief to be applied.

4.5 Backdating

Applications can be backdated to the start of the Small Business Bonus Scheme if applicable.

5. Community Amateur Sports Clubs

5.1 Background

Section 98 of the Charities and Trustee Investment (Scotland) Act 2005 provides for 80% mandatory relief from rates for registered Community Amateur Sports Clubs (CASCS). The Council also has discretion under section 4(5) of the Act to top up the relief to 100%.

Sports clubs play a valuable role in their communities. The CASC scheme recognises this important role by distinguishing between clubs and businesses for rates and tax purposes, ensuring money is kept in sports clubs. Both property and non-property owning clubs can significantly benefit from the scheme. The key benefits of CASC registration include:

- 80% mandatory business rate relief. Local authorities can offer up to 100% relief to clubs at their discretion.
- The ability to raise funds from individuals under Gift Aid. A registered CASC can reclaim up to £25 in tax for every £100 donated, though this does not apply to all types of donations.
- CASCs are exempt from Corporation Tax on profits derived from trading activities if their trading income is under £50,000 pa.
- Profits derived from property income are also exempt for CASCs if gross property income is under £30,000 pa, of particular relevance following the abolition of the nil rate band.
- CASCs whose income does not exceed these thresholds will no longer be required to complete an annual Corporation Tax return.

5.2 Council Policy

The Council is obliged to grant relief to premises which fall within the Community Amateur Sports Club Relief category and is subsequently recompensed for any amounts granted. 80% Community Amateur Sports Club Relief will be awarded in respect of all applications that meet the eligibility criteria specified below and fulfil all the requirements of the application process.

5.3 Eligibility

The club requires to be registered with H.M Revenue & Customs as a Community Amateur Sports Club and relief can only be awarded from the date the club was first registered.

CASCS are entitled to relief from rates on any non-domestic property that is wholly or mainly used for the purposes of that club, or of that club and of other such registered clubs.

5.4 Application Process

An application must be made in writing and the applicant must submit all relevant information required to make a determination.

5.5 Backdating

Relief can be granted from the start of the financial year in which the application is made and can only be backdated in exceptional circumstances.

6. Renewable Energy Relief

6.1 Background

The Renewable Energy Generation Relief Scheme will provide non-domestic rates relief from 1 April 2010, to renewable energy producers who are solely concerned with the production of heat or power (or both) from the following sources:

- a. biomass;
- b. biofuels;
- c. fuel cells;
- d. photovoltaics;
- e. water (including waves and tides, but excluding production from the pumped storage of water);
- f. wind;
- g. solar power;
- h. geothermal sources;

Note: 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 sub-paragraphs (a) to (h) and has an electrical capacity of 50 kilowatts or less.

There are two separate reliefs from 2018, one relating to community benefit and one relating to hydro schemes. Both relate to property used solely for the generation of renewable heat or power (or both).

From 1 April 2018, hydro schemes with a rateable value of no more than £5m, used for the generation of renewable heat and/or power (but excluding production from the pumped storage of water), may be eligible for 60% relief. This relief is available until 31 March 2032.

Eligibility for the renewables relief relating to community benefit requires arrangements which give at least 15% of the annual profit to a community organisation, in return for investment (or, failing that, so much of the annual profit as is attributable to 0.5 megawatt (1 megawatt up to 31 March 2017) of the total installed capacity). The table below shows the sliding scale of applicable relief against total rateable value of all the qualifying properties in Scotland that the applicant occupies or (if vacant) is entitled to occupy.

Inverclyde Council – Finance Services Revenues and Benefits

Appendix 1

A reduction of the rates payable will be applied as specified in the table below:

Rateable Value	% 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%

Hydro schemes with a rateable value of no more than £5 million are also eligible for 60% relief. The Non Domestic Rates (Renewable Energy Generation Relief) (Scotland) Amendment Regulations 2018 grants relief until 31 March 2032.

6.2 Council Policy

The Council is obliged to grant relief to premises which fall within the Renewable Energy Relief category and is subsequently recompensed for any amounts granted. Renewable Energy Relief will be awarded in respect of all applications that meet the eligibility criteria specified below and fulfil all the requirements of the application process.

6.3 Eligibility

When assessing eligibility for Renewable Energy Generation relief, four criteria need to be considered for each business:

- whether the business is solely concerned with the generation of heat or power by the means listed above;
- whether the property is in receipt of any other relief;
- the level of other public sector assistance received by the business (see Minimal Financial Assistance below); and
- the combined rateable value of all properties in Scotland of which the business is in rateable occupation or (if vacant) which the business is entitled to occupy.

Note: Where there are multiple entries on the valuation roll for the same ratepayer it is the combined rateable value of properties used for renewable energy production which should be considered for the award of this relief.

The Subsidy Control Act 2022 (“the Act”) is applicable from 4 January 2023. This relief is likely to be considered a subsidy under the Act. Public authorities should consider whether this relief is awarded as Minimal Financial Assistance (MFA), or whether it meets the other subsidy control requirements of the Act. This relief is listed in the Non-Domestic Rates (Restriction of Relief) (Scotland) Regulations 2023.

6.4 Application Process

An application must be made in writing and the applicant must submit all relevant information required in order to make a determination.

6.5 Backdating

Relief can be granted from the start of the financial year in which the application is made and can only be backdated in exceptional circumstances.

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7. Fresh Start Relief

7.1 Background

With effect from 1 April 2013, Fresh Start Relief is available where previously unoccupied shops, offices, hotels, pubs or restaurants are newly occupied. Relief of up to 50% is available for a period of 12 months.

From 1 April 2018 Fresh Start Relief was expanded offering 100% relief for 12 months and may be applied if all of the following circumstances are met for the property:

- must be occupied by a new owner, tenant or sub tenant.
- the property has previously been in receipt of Empty Property Relief for a continuous period of at least six months.
- the property has a Rateable Value of under £65k.
- prior to the 1 April 2018 the property had to be used for either a shop, office, restaurant, pub or hotel (regardless of what your intended use is) or, where there was no previous use, you intended to use it as a shop, office, restaurant, pub or hotel.

From 1 April 2021 the upper threshold for eligibility has been increased from £65,000 to £95,000

From 1 April 2023 the upper threshold for eligibility has been increased from £95,000 to £100,000

From 1 April 2024 ratepayers occupying certain long-term empty properties may be entitled to 100% relief for up to 12 months. These conditions relate to 2024-25 only.

*** Properties in receipt of Fresh Start Relief on 31 March 2023 will continue to receive relief for the remaining duration of the relief, regardless of whether the new rateable value is above the qualifying threshold**

7.2 Council Policy

The Council is obliged to grant relief to premises which fall within the Fresh Start Relief category and is subsequently recompensed for any amounts granted. Fresh Start Relief will be awarded in respect of applications that meet the eligibility criteria specified below and fulfil all the requirements of the application process.

7.3 Eligibility

Prior to 1st April 2018 the property must have been in receipt of Empty Property Relief for a continuous period of 6 months during the period immediately prior to the award of Fresh Start Relief and have a rateable value of £65,000 or less. When last occupied, the property must have been used as a shop, office, pub, hotel or restaurant, the 'fresh' use of the property when occupied can be for any purpose. Payday lenders are excluded from the scheme.

Where there has been no previous use of the property, the use of the property when occupied, must be as a shop, office, pub, hotel or restaurant.

From 1st April 2018 there is no restriction on the usage of the previous use.

From 1 April 2024 ratepayers occupying certain long-term empty properties may be entitled to 100% relief for up to 12 months where the property had previously been unoccupied for at least 6 months and was occupied on or after 1 April 2018. These conditions relate to 2024-25 only.

Any period(s) of occupation lasting less than 6 weeks during the preceding 6 months will be ignored for the purpose of granting Fresh Start relief.

Where there is a change of occupier during the qualifying period for this relief, the new occupier may still receive the remaining balance of this relief as long as the property was not considered unoccupied during this period.

There can be no interaction with any other form of relief, e.g. SBBS etc.

Local authorities will have to consider whether this must be awarded as MFA or whether the subsidy control requirements are met. As no sectoral restrictions apply and this relief is available for a particular circumstance (newly reoccupied long-term empty property), it is unlikely to confer a selective advantage however.

7.4 Application Process

An application must be made in writing and the applicant must submit all relevant information required in order to make a determination.

7.5 Backdating

Relief can be granted from the start of the financial year in which the application is made and can only be backdated in exceptional circumstances.

8. District Heating Relief

8.1 Background

With effect from 1 April 2017, The Non-Domestic Rates (District Heating Relief) (Scotland) Regulations 2017 make provision to reduce the amount payable as non-domestic rates in respect of subjects in Scotland used wholly or mainly for the purposes of a district heating network. Premises being used wholly or mainly for a district heating network may be eligible for 50% relief until 31 March 2032.

From 1st April 2021, properties used wholly or mainly for the purposes of a district heating network which is powered wholly or mainly by renewable generation may receive 90% relief. This relief is available until 31st March 2024.

From 1 April 2024, Where district heating networks are powered by renewables, 90% relief is available where at least 80% of the thermal energy generated derives from renewable sources. This relief is available until 31 March 2027.

8.2 Council Policy

The Council is obliged to grant relief to premises which fall within the District Heating Relief category and is subsequently recompensed for any amounts granted. District Heating Relief will be awarded in respect of applications that meet the eligibility criteria specified below and fulfil all the requirements of the application process.

8.3 Eligibility

In order to qualify, the premises must be used wholly or mainly used as a district heating network. Regulation 4 provides for a reduction in relief if the enactments listed already provide for a reduction.

The Subsidy Control Act 2022 (“the Act”) is applicable from 4 January 2023. This relief is likely to be considered a subsidy under the Act. Public authorities should consider whether this relief is awarded as Minimal Financial Assistance (MFA), or whether it meets the other subsidy control requirements of the Act. This relief is listed in the Non-Domestic Rates (Restriction of Relief) (Scotland) Regulations 2023.

8.4 Application Process

An application must be made in writing and the applicant must submit all relevant information required in order to make a determination.

8.5 Backdating

Relief can be granted from the start of the financial year in which the application is made and can only be backdated in exceptional circumstances.

9. Business Growth Accelerator Relief

9.1 Background

With effect from 01 April 2018, The Non Domestic Rates (New and Improved Properties) (Scotland) Regulations 2018 and subsequently The Non-Domestic Rates (Relief for New and Improved Properties) (Scotland) Regulations 2022, make provision to reduce the amount payable as non-domestic rates in respect of certain subjects in Scotland. Certain types of business properties will be eligible for 100% relief until a year after first occupation. The relief ensures that no increase in non-domestic rates is payable for a year in respect of certain property improvements.

9.2 Council Policy

The Council is obliged to grant relief to premises which fall within the Business Growth Accelerator relief category and is subsequently recompensed for any amounts granted. Business Growth Accelerator Relief will be awarded in respect of applications that meet the eligibility criteria specified below and fulfil all the requirements of the application process.

9.3 Eligibility

In order to qualify, the property must meet the following criteria:

- The property is entered onto the valuation roll after 1 April 2018.
- The new entry is not as a result of a combination or division of existing entries on the valuation roll or due to the refurbishment or change of an existing entry, including conversion of a domestic property or a property previously exempt from rating.
- From 1 April 2022 the period where a property can claim Business Growth Accelerator has been capped at a maximum of four years. To allow for the transition, if the relief has been awarded prior to 1 April 2021, it will continue until 31 March 2025 if the property remains unoccupied, or for a period of 12 months if the premises should become occupied, whichever date is sooner.
- From 1 April 2023, properties in receipt of Business Growth Accelerator on 31 March 2023 will continue to be eligible for an equivalent percentage of relief on the new rateable value for the remaining duration of the relief.
- Certain conditions apply in relation to properties which are divided, split, merged or re-organised.

9.4 Application Process

An application must be made in writing and the applicant must submit all relevant information required in order to make a determination.

9.5 Backdating

Relief can be granted from the start of the financial year in which the application is made and can only be backdated in exceptional circumstances.

10. Day Nursery Relief

10.1 Background

With effect from 1 April 2018, The Non Domestic Rates (Day Nursery Relief) (Scotland) Regulations 2018 make provision to reduce the amount payable as non-domestic rates in respect of certain subjects in Scotland. 100% rates relief can be granted to occupiers of non-domestic properties where day nursery provision is made. This relief was extended to 30th June 2023 and further extended indefinitely.

10.2 Council Policy

The Council is obliged to grant relief to premises which fall within the Day Nursery Relief category and is subsequently recompensed for any amounts granted. Day Nursery Relief will be awarded in respect of applications that meet the eligibility criteria specified below and fulfil all the requirements of the application process.

10.3 Eligibility

In order to qualify, the property must meet the following criteria:

To qualify, the property must be used wholly or mainly as a nursery as defined in Section 135 of the Education (Scotland) Act 1980 and which also provides day care as defined in paragraph 13 of Schedule 12 of the Public Services reform (Scotland) Act 2010.

The Subsidy Control Act 2022 (“the Act”) is applicable from 4 January 2023. This relief is likely to be considered a subsidy under the Act. Public authorities should consider whether this relief is awarded as Minimal Financial Assistance (MFA), or whether it meets the other subsidy control requirements of the Act. This relief is listed in the Non-Domestic Rates (Restriction of Relief) (Scotland) Regulations 2023.

10.4 Application Process

An application must be made in writing and the applicant must submit all relevant information required in order to make a determination.

10.5 Backdating

Relief can be granted from the start of the financial year in which the application is made and can only be backdated in exceptional circumstances.

11 Mobile Mast Relief

11.1 Background

The key legislation is The Non-Domestic Rates (Telecommunication Installations) (Scotland) Regulations 2016. Relief is awarded to mobile masts or towers in three

Relief is awarded to mobile masts or towers in three “Mobile Masts Pilot areas” or located in a number of specific different grid references.

(two in Arran and one in Cairngorm) entered in Valuation Roll on or after 1 April 2016; or located in a number of specific different grid references:

<https://www.gov.scot/publications/4g-infill-programme-non-domestic-rates-relief-mobile-masts/>

Relief can be awarded between 1 April 2016 and 31 March 2029.

11.2 Council Policy

The Council is obliged to grant relief to premises which fall within the Mobile Mast Relief category and is subsequently recompensed for any amounts granted. Mobile Mast Relief will be awarded in respect of applications that meet the eligibility criteria specified below and fulfil all the requirements of the application process.

11.3 Eligibility

Relief is awarded to mobile masts or towers in three “Mobile Masts Pilot areas” (two in Arran and one in Cairngorm) entered in Valuation Roll on or after 1 April 2016; or located in a number of specific different grid references: <https://www.gov.scot/publications/4g-infill-programme-non-domestic-rates-relief-mobile-masts/>

The Subsidy Control Act 2022 (“the Act”) is applicable from 4 January 2023. This relief is likely to be considered a subsidy under the Act. Public authorities should consider whether this relief is awarded as Minimal Financial Assistance (MFA), or whether it meets the other subsidy control requirements of the Act. This relief is listed in the Non-Domestic Rates (Restriction of Relief) (Scotland) Regulations 2023.

11.4 Application Process

An application must be made in writing and the applicant must submit all relevant information required in order to make a determination.

11.5 Backdating

Relief can be granted from the start of the financial year in which the application is made and can only be backdated in exceptional circumstances.

This relief is mandatory and 100% funded by the Scottish Government

12 New Fibre Relief

12.1 Background

Telecommunications new fibre infrastructure is eligible for 100% relief between 01st April 2019 and 31st March 2034. The Non Domestic Rating (Telecommunications New Fibre Infrastructure) (Scotland) Order 2019 provides that new fibre infrastructure installed after 1st April 2019 receives separate entries in the valuation roll.

12.2 Council Policy

The Council is obliged to grant relief to premises which fall within the relief category and is subsequently recompensed for any amounts granted Relief will be awarded in respect of applications that meet the eligibility criteria specified below and fulfil all the requirements of the application process

12.3 Eligibility

In order to qualify, the property must meet the following criteria:

New fibre used for the purposes of facilitating the transmission of communications by any means involving the use of electrical or electromagnetic energy.

A proportion of any poles, posts, towers, masts, mast radiators, pipes, ducts and conduits and any associated supports and foundations on the lands and heritages, used in connection with new fibre, apportioned using the proportion that notional rateable value bears to the rateable value.

Any parts of the lands and heritages which are exclusively occupied by new fibre.

The fibre of that infrastructure is:-

- New if it was not laid, flown, blown, affixed or attached before 1st April 2019
- Not New if it replaces existing fibre, unless it upgrades what was previously provided.

Local authorities will have to consider whether this must be awarded as a subsidy, particularly with regard to confluence with the rest of the UK. Public authorities should consider whether this relief is awarded as MFA, or whether it meets the other subsidy control requirements of the Act.

12.4 Application Process

An application must be made in writing and the applicant must submit all relevant information required in order to make a determination.

12.5 Backdating

Relief can be granted from the start of the financial year in which the application is made and can only be backdated in exceptional circumstances.

This relief is mandatory and 100% funded by the Scottish Government

13 Reverse Vending Machine Relief

13.1 Background

From 1st April 2020 until 31st March 2023 -100% relief is available to sites of a Reverse Vending Machine where a property is wholly or mainly for the purpose of the provision of a reverse vending machine. With effect from 1 April 2023, no account is to be taken of any part of a property, which is only used in connection with the provision or use of a reverse vending machine.

13.2 Council Policy

The Council is obliged to grant relief to premises which fall within the relief category and is subsequently recompensed for any amounts granted Relief will be awarded in respect of applications that meet the eligibility criteria specified below and fulfil all the requirements of the application process.

13.3 Eligibility

In order to qualify, the property must meet the following criteria:

- A reverse vending machine is a mechanical device that:
 - is designed to receive, identify and process used relevant containers; and
 - provides a means for refund of the deposit paid on a used relevant container received by the device and where a device is provided partly to process used relevant containers and partly for other purposes

13.4 Application Process

An application must be made in writing and the applicant must submit all relevant information required in order to make a determination.

13.5 Backdating

Relief can be granted from the start of the financial year in which the application is made and can only be backdated in exceptional circumstances.

This relief is mandatory and 100% funded by the Scottish Government.

14 General Revaluation Transitional Relief

14.1 Background

The General Revaluation Transitional Relief caps annual gross bill increases caused by the 2023 revaluation at a specified percentage increase. These caps apply to all property types. The relief is applicable between 1st April 2023 and 31st March 2026. The key legislation is The Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2024, as amended. The level of relief has been announced for 2023/24 and 2024/25:

Rateable Value (per property)	2023-24	2024-25
Up to £20,000	12.5%	25%
£20,001 to £100,000	25%	50%
Over £100,000	37.5%	75%

14.2 Council Policy

The Council is obliged to grant relief to premises which fall within the relief category and is subsequently recompensed for any amounts granted Relief will be awarded in respect of premises that meet the eligibility criteria specified below.

14.3 Eligibility

In order to be eligible for this relief, the property had to be shown in an entry on the valuation roll on both 31 March 2023 and 1 April 2023. Properties with a nil rateable value on 1 April 2023, or which had a nil rateable value on 31 March 2023 are not eligible. Eligibility for the relief also ceases if there is a merger, split or reorganisation of the valuation roll entry for the property occurring after 1 April 2023.

If the property is shown in a split or reorganised entry taking effect on 1 April 2023, a reduction is applied to the gross bill and then uplifted by the relevant factor noted in the table above to calculate the transitional limit. The reduction to be applied is:

- 1.2 for properties with a rateable value up to and including £20,000
- 1.25 for properties with a rateable value from £20,001 up to and including £100,000
- 1.4 for properties with a rateable over £100,000

A property can continue to be eligible for this relief upon a change of ratepayer.

14.4 Application Process and Backdating

An application is not required for this relief and it will be awarded automatically subject to meeting the eligibility criteria.

This relief is mandatory and 100% funded by the Scottish Government

15 Small Business Transitional Relief

15.1 Background

This relief caps the maximum increase in the net rates liability relative to 31 March 2023 at £600 in 2023-24, £1,200 in 2024-25, £1,800 in 2025-26, with no Small Business Transitional Relief cap in place from 2026-27. The cap applies after any relief is applied (including the General Revaluation Transitional Relief) and is available for properties:

- entitled to Small Business Bonus Scheme (SBBS) relief, and/or
- entitled to mandatory or discretionary Rural Relief on 31 March 2023 and no longer entitled on 1 April 2023 due to their rateable value increasing at the 2023 revaluation beyond the qualifying threshold(s) set out in the Non-Domestic Rating (Rural Areas and Rateable Value Limits) (Scotland) Order 2005, as amended.

15.2 Council Policy

The Council is obliged to grant relief to premises which fall within the relief category and is subsequently recompensed for any amounts granted Relief will be awarded in respect of applications that meet the eligibility criteria specified below and fulfil all the requirements of the application process.

15.3 Eligibility

To qualify, the property must meet the following criteria:

The property requires to have been shown in an entry on the valuation roll on both 31 March 2023 and 1 April 2023. Properties with a nil rateable value on 1 April 2023 or which had a nil rateable value on 31 March 2023 are not eligible. Eligibility ceases if there is a merger, split or reorganisation of the valuation roll entry for the property occurring after 1 April 2023.

Any increases in rateable value after revaluation are not subject to the cap, and any decrease in rates caused by a decrease in rateable value after revaluation would also be taken into proportionate account.

15.4 Application Process

An application must be made in writing and the applicant must submit all relevant information required to make a determination.

15.5 Backdating

Relief will be granted from 1 April 2023 subject to the eligibility criteria being met.

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This relief is mandatory and 100% funded by the Scottish Government

16 Parks Transitional Relief

16.1 Background

Properties in parks liable for rates for the first time on 1 April 2023 are eligible for 67% relief in 2023-24 and 33% relief in 2024-25. No Parks Transitional Relief will be in place from 2025-26.

16.2 Council Policy

The Council is obliged to grant relief to premises which fall within the relief category and is subsequently recompensed for any amounts granted. Relief will be awarded in respect of applications that meet the eligibility criteria specified below and fulfil all the requirements of the application process

16.3 Eligibility

In order to qualify, the property must meet the following criteria:

Properties in parks, or parts of parks, that existed but were not rateable on 31 March 2023, and which became rateable on 1 April 2023 following the coming into force of section 5 of the Non-Domestic Rates (Scotland) Act 2020, which amends section 19 of the Local Government (Financial Provisions) (Scotland) Act 1963.

16.4 Application Process

An application must be made in writing and the applicant must submit all relevant information required in order to make a determination.

16.5 Backdating

Relief will be granted from 1 April 2023 subject to the eligibility criteria being met.

This relief is mandatory and 100% funded by the Scottish Government

Discretionary Relief

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17. Charitable/Non Profit Making Organisations

17.1 Background

Registered Charities or Trustees for a charity that uses its business premises wholly or mainly for the purposes of the charity may be eligible for an 80% reduction in their Rates bill. This is generally referred to as **Mandatory Relief** and is awarded in accordance with Section 4(2) and (8) of the Local Government (Financial Provisions etc.) (Scotland) Act 1962

Whilst the Council is obliged to grant relief to premises which fall within the mandatory category (and the Council is subsequently recompensed for any amounts granted), the Council also has powers to grant **Discretionary Relief** to ratepayers subject to certain criteria being met.

The primary purpose of discretionary relief is to provide assistance where the property does not qualify for mandatory relief, although discretionary relief can also be given to 'top' up cases where ratepayers already receive mandatory relief.

Where no mandatory relief is given then discretionary relief of up to 100 percent of the total rates liability can be granted to qualifying non profit making organisations.

The range of organisations which are eligible for discretionary rate relief is wide and not all of the criteria laid down by the legislation will be applicable in each case.

It should be noted that the Council incurs 25% of the cost of any discretionary relief granted and it is therefore borne by the council tax payer.

17.2 Council Policy:

A policy for granting discretionary relief to charities and non-profit making organisations was approved by the Policy & Resources Committee on 18th September 2012. The policy was amended on 6th February 2018 by the Policy & Resources Committee.

It was also remitted to the Director, Environment and Regeneration to consult with the local business community on specific proposals with regards to the withdrawal of relief for charity shops where there is no direct benefit to the local community or area, or where the density of charity shops in a parade creates an imbalance in the shopping on offer.

The amount of relief granted will largely be dependent on the following key factors:

- a. is the organisation entitled / or could be entitled to mandatory relief?
- b. are the premises of benefit to residents of the area?
- c. does the use of the premises relieve the Council from providing similar facilities?
- d. does the organisation provide special facilities to certain priority groups such as elderly, disabled, minority groups, disadvantaged groups?
- e. what is the percentage level of funding for the organisation available by commercial means e.g. bar profits, sales of merchandise etc;

- f. in the case of clubs etc, is the organisation available and open to all members of the public within the Council area? (No relief is granted to organisations where membership is restricted because of characteristics that are protected by the Equality Act 2010.)
- g. discretionary relief for charity shops will be considered only in cases where the charity is a local charity that wholly or mainly benefits the local residents of Inverclyde; national charity shops will not be eligible for discretionary relief.
- h. factors such as the contribution the organisation makes to the local area and a balanced mix of shop types will be taken into consideration when making a decision on what relief is appropriate.
- i. from 1st April 2018 the organisation's annual turnover is taken into account when determining eligibility.

In considering whether the interests of council taxpayers are being best served, other Services may be consulted as appropriate.

17.3 Who may apply:

Mandatory relief recipients

The ratepayer is an OSCR registered charity or trustees for a charity and the premises are wholly or mainly used for charitable purposes.

Non profit making organisations

The property is one where all or part of it is occupied for the purposes of one or more institutions or other organisations, none of which is established or conducted for profit and each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts.

17.4 Eligibility Conditions

The following conditions must be met before the Council can consider an application:

- (a) The premises must not hold liquor or gaming licences.
- (b) The premises must not be used to carry out an operation of a commercial nature where proceeds from the operation represent a significant proportion of the organisation's total turnover from the premises.
- (c) The organisation must not fall within a class of applicants which the Council wishes to exclude from discretionary award.
- (d) The organisation must use the premises for charitable purposes, i.e. (i) the relief of poverty, (ii) the advancement of religion, (iii) the advancement of education, (iv) other purposes beneficial to the community.

(e) The application must provide sufficient information to allow officers of the Council to determine whether the organisation is of a quasi-charitable nature in terms of Section 4 (5) of the Local Government (Financial Provisions Etc) (Scotland) Act, 1962.

(f) Entitlement is reviewed periodically, and on any change of occupation and/or use, relief may be curtailed

(g) Organisations with an annual turnover in excess of £10 million are excluded.

17.5 Application Process

In order to make an application for Discretionary Relief an application form must be fully completed and submitted with supporting evidence:

- A copy of the organisation's constitution.
- The last 2 years financial statements in respect of the property for which relief is being applied. If the organisation has not started to occupy the property, a statement of the anticipated income and expenditure in respect of the first 12 months.
- A copy of the letter from the Inland Revenue stating acceptance as a charity for tax purposes, if applicable.
- A statement outlining how an award of discretionary rates relief would serve the interests of Council Tax payers in the Inverclyde Council area
- The Council may also require ratepayers to provide any other information it sees as reasonable when considering an application for relief.

All discretionary reliefs awarded will be checked for compliance with the Council's policy and all applications will be authorised by the Revenues & Recovery Team Leader prior to processing relief.

Under Section 4 (6) of the Local Government (Financial Provisions etc.) (Scotland) Act 1962, any reduction may, at the discretion of the rating authority, be granted –

- (a) for the year in which, or the next year following that in which the determination to grant is made; or
- (b) for a specified term of years, not exceeding five, beginning not earlier than the year in which the determination is made nor more than twenty-four months after the date of the determination; or
- (c) for an indefinite period beginning not earlier than the preceding year, subject to the exercise by the rating authority of their powers under subsection 7.

17.6 Backdating

Where a charity, sports club or similar body makes an application for relief in the first 6 months of the financial year, then relief can be backdated to the start of the previous financial year provided the organisation satisfied the requirements at that time.

Where an application is made after the first 6 months of the financial year then relief can only be granted from the start of that year except in exceptional circumstances such as the original application being made timeously but not able to be traced.

17.7 Cancellation

Under Section 4 (7) of the Local Government (Financial Provisions etc.) (Scotland) Act 1962, where any such reduction is granted for an indefinite period, the rating authority may, by not less than twelve months' notice in writing given to the occupiers of the lands and heritages, terminate or modify the reduction as from the end of a year specified in the notice.

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18. Sports Clubs

18.1 Background

Section 4 (5) (c) of the Local Government (Financial Provisions etc.) (Scotland) Act 1962 provides Councils with discretionary powers to award relief where a property is wholly or mainly used for purposes of recreation, and all or part of it is occupied for the purpose of a club, society or other organisation not established or conducted for profit.

Sports clubs may be awarded 100% relief except where the organisation occupies licensed premises – in these cases a formula is applied to apportion the activities between the bar and the sporting activity. This typically applies to golf clubs, bowling clubs etc. The higher the bar takings, the less relief available and in some cases bar takings can be at such a level that no relief is awarded.

18.2 Council Policy.

Under this policy the Council will grant relief to premises which fall within the Sports Relief category and will subsequently be recompensed for any amounts granted. 100% Sports Relief will be awarded in respect of applications from unlicensed sports clubs that meet the eligibility criteria specified below and fulfil all the requirements of the application process.

Relief will also be awarded to licensed sport clubs that meet the eligibility criteria specified below and fulfil all the requirements of the application process; however the level of relief afforded to licensed clubs will vary for each club depending on their turnover from bar, food and gaming.

18.3 Eligibility

Where sports clubs do not meet the CASC requirement, and are not registered charities, discretionary relief can be granted where the property is wholly or mainly used for purposes of recreation and all or part of it is occupied for the purpose of a club, society or other organisation not established or conducted for profit. The following criteria must also be met.

Membership should be open to all sections of the community. There may be legitimate restrictions placed on membership which relate for example to ability in sport or to the achievement of a standard in the field covered by the organisation, or where the capacity of the facility is limited, but in general membership should not be exclusive or restrictive.

No relief will be granted to organisations where membership is restricted because of characteristics that are protected by the Equality Act 2010. This will be apparent from the constitution and most commonly applies to clubs where women are not allowed to be full members with voting rights. The only exception to this is where the women state in writing or provide a minute of a decision that they do not wish to be full members. A letter from the Lady Captain/President on club notepaper is required in support of any application.

Membership rates should not be set at such a high level as to exclude the general community. However, membership fees may be payable at different rates that distinguish the different classes of membership such as juniors, adults, students, pensioners, players, non-players, employed and unemployed. In general, the club or organisation must be prepared to

show that the criteria by which it considers applications for membership are consistent with the principle of open access.

Consideration should also be given to whether the facilities provided relieve the council of the need to do so or enhance and supplement those that it does provide.

18.4 Application Process

Recreational/Sports Clubs - Unlicensed

100% Discretionary Relief is available to Recreational/Sports clubs not licensed to sell alcohol. Applicants should submit a completed application form along with copies of their constitution and latest audited accounts. These are examined to establish that the applicant is a bona fide sports or recreational Club, and that no income from the sale of alcohol, tobacco, etc, appears in the accounts.

Recreational/Sports Clubs - Licensed

Available to Recreational/Sports clubs licensed to sell alcohol and/or income from the sale of alcohol, tobacco, food, gaming etc appears in the accounts.

Copies of accounts and constitution are required. Accounts should relate to the base year for revaluation. If these are not available, accounts for subsequent years can be index-linked to the base year. The gross turnover figures for bar, food, gaming and tobacco should be entered. The Council will then calculate the non-licensed element of Rateable Value. This is the figure on which relief may be awarded.

18.5 Backdating

Relief is granted from the start of the financial year in which the application is made and can only be backdated in exceptional circumstances.

19. Community Amateur Sports Clubs

19.1 Background

Section 4 (5) of the Charities and Trustee Investment (Scotland) Act 2005 provides for 20% discretionary relief from rates for registered Community Amateur Sports Clubs (CASCS).

Sports clubs play a valuable role in their communities. The CASC scheme recognises this important role by distinguishing between clubs and businesses for rates and tax purposes, ensuring money is kept in sports clubs.

Both property and non-property owning clubs can significantly benefit from the scheme. The key benefits of CASC registration include:

- 80% mandatory business rate relief. Local authorities can offer up to 100% relief to clubs at their discretion.
- The ability to raise funds from individuals under Gift Aid. A registered CASC can reclaim up to £25 in tax for every £100 donated, though this does not apply to all types of donations.
- CASCs are exempt from Corporation Tax on profits derived from trading activities if their trading income is under £50,000 pa.
- Profits derived from property income are also exempt for CASCs if gross property income is under £30,000 pa, of particular relevance following the abolition of the nil rate band.
- CASCs whose income does not exceed these thresholds will no longer be required to complete an annual Corporation Tax return.

19.2 Council Policy

Under this policy the Council will grant discretionary relief to premises which fall within the Community Amateur Sports Club Relief category, 25% of any award will be met by the Council. Community Amateur Sports Club Relief will be awarded in respect of all applications that meet the eligibility criteria specified below and fulfil all the requirements of the application process.

The policy of the Council is to award this discretionary rates relief top up to unlicensed sports clubs only. The club's main purpose must be to provide facilities for eligible sports, to encourage people to take part in them and the promotion of a healthy lifestyle.

Although the existence of a bar may not in itself seem to be a reason for not granting relief, it helps to determine the main purpose of the organisation. In sports clubs the balance between playing and non-playing members might provide a useful guide as to whether the main purpose of the club is sporting or social activities

25% of the cost of the discretionary relief must be met by the Council.

19.3 Eligibility

The club requires to be registered with H.M Revenue & Customs as a Community Amateur Sports Club and relief can only be awarded from the date the club was first registered.

CASCS are entitled to relief from rates on any non-domestic property that is wholly or mainly used for the purposes of that club, or of that club and of other such registered clubs.

19.4 Application Process

An application must be made in writing and the applicant must submit all relevant information required in order to make a determination.

19.5 Backdating

Relief can be granted from the start of the financial year in which the application is made and can only be backdated in exceptional circumstances.

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20. Short Term Part Empty Relief**20.1 Background**

Section 24A of the Local Government (Scotland) Act 1966 (as amended by section 155 of the Local Government etc. (Scotland) Act 1994) states:

(1) if it appears to the rating authority that part of any lands and heritages included in the valuation roll is unoccupied but will remain so for a short time only, the authority may request the assessor to apportion the rateable value between the occupied and unoccupied parts and on being thus requested the assessor shall apportion the rateable value accordingly.

(2) As from whichever is the later of the following:

- (a) The date on which lands and heritages the rateable value of which has been apportioned under subsection (1) above became partly occupied;
- (b) The commencement of the financial year in which the request under that subsection relating to those lands and heritages was made,

Until whichever of the events specified in subsection (3) below first occurs, the value apportioned to the occupied part of the lands and heritages shall, subject to subsection (4) below, be treated for rating purposes as if it were the rateable value ascribed to the lands and heritages in the valuation roll.

(3) The events mentioned in subsection (2) above are—

- (a) The reoccupation of any of the unoccupied part;
- (b) The end of the financial year in which the request was made;
- (c) A further apportionment of the value of the lands and heritages taking effect under subsection (1) above;
- (d) The lands and heritages to which the apportionment relates becoming completely unoccupied.

(4) Where any lands and heritages fall within such class or classes of lands and heritages as may be prescribed by the Secretary of State by regulations, the value to be treated for rating purposes as if it were the rateable value ascribed to the lands and heritages in the valuation roll shall be the sum of—

- (a) The value apportioned to the occupied part of the lands and heritages; and
- (b) One half of the value apportioned to the unoccupied part of the lands and heritages.

(5) Notwithstanding paragraph (b) of subsection (3) above, if it appears to the rating authority that the part of the lands and heritages which was unoccupied at the date of an apportionment of the rateable value thereof under subsection (1) above has continued after the end of the financial year referred to in that paragraph to be unoccupied but will remain so for a short time only, the authority may direct that the apportionment shall continue to have effect for the next financial year; and subsections (2), (3)(a), (c) and (d) and (4) above shall have effect in relation to that year accordingly. “

20.2 Council Policy

A policy for granting Short Term Part Empty Relief was approved by the Policy & Resources Committee on 13th August 2013.

Under this policy the Council will grant relief to premises which fall within the Short Term Part Empty Relief category and will subsequently be recompensed for any amounts granted. Short Term Part Empty Relief will be awarded in respect of applications that meet the eligibility criteria specified below and fulfil all the requirements of the application process.

20.3 Eligibility

Legislation does not define what constitutes a short time and it is therefore the responsibility of the Council to determine what constitutes a short period of time. For the purposes of this policy “a short time” is defined as a period not less than 1 month but not exceeding 24 months.

- Applications will be considered where the ratepayer advises that part occupation of the property is to last for a minimum period of 1 month and a maximum period of 24 months. If a ratepayer indicates that their part occupation is long term, i.e. likely to continue for more than 24 months then no rateable value apportionment will be considered beyond the maximum period.
- Applications will be considered in respect of industrial properties only.
- Any relief from rates due to part occupation cannot exceed 24 months in any 5 years. This may consist of a number of separate claims over a maximum of 3 different financial years in a 5 year period. This is to prevent a ratepayer from continuously keeping a part of their property empty to avoid full rates
- If a part empty period is likely to extend beyond 12 months a maximum of 12 months relief can be awarded initially. A review will be carried out at the end of the 12 months which will require a revised business plan to be submitted and an inspection of the premises. If the Council are satisfied up to a further 12 months relief can be awarded.
- A fresh application must be made whenever there is a change to the part occupation of the property so that the correct apportioned rateable value is used in the relief calculation.
- Once a period of part occupation has ended the property must be occupied for a period of 42 days (6 weeks) before a ratepayer can apply for a further relief period.

In the event that arrears of Non Domestic Rates exist it will be a condition of any relief award that a repayment plan is agreed with Finance Services and adhered to. If the repayment plan is defaulted the relief may be withdrawn.

- In exceptional circumstance a case which merits special consideration may be considered under this policy even if some elements of the policy criteria are not satisfied, providing the relevant legislation is complied with.

- Applications will be considered jointly by Finance Services and Economic Regeneration.
- The Chief Financial Officer and Director, Environment and Regeneration may consult with other Services as appropriate and will assess the extent to which an award safeguards employment and promotes local economic regeneration.

20.4 Application Process

In order to make an application for Part Empty Short Term Relief an application must be submitted with supporting evidence.

- Application to be made by the ratepayer (or their representative) liable to pay Non Domestic Rates on the property.
- Applicants will be required to complete an application form and provide a plan showing the unoccupied area(s).. The unoccupied area must be satisfactorily sectioned off.
- In order for the application to be fully considered audited accounts and a business plan must also be submitted along with any other supporting information and evidence to support their claim.
- Applications must be submitted immediately the property becomes unoccupied and no relief will be granted for any period prior to the application receipt date.
- Applications will not be considered retrospectively.
- All applications to be submitted to Finance Services for consideration by Finance Services and Economic Regeneration. Any case with exceptional circumstances and outside the normal criteria will be considered by the Chief Financial Officer and Director, Environment and Regeneration.
- Prior to requesting an apportionment of the rateable value, an inspection visit may be made to the property to establish eligibility.
- If an application meets the qualifying criteria then a request will be made to the Assessor to provide an apportioned rateable value for the unoccupied part of the property.
- The apportioned rateable value must be equal to or greater than 5% of the subject's total rateable value.
- All applications will be processed within 21 days once all information is received.
- The rates payable will be charged in accordance with legislation. The occupied part of a property will be charged at 100%. The unoccupied part of a property will be charged in accordance with legislation for the duration of the short-term empty period unless the property is industrial, in which case there is no charge. .

20.5 Monitoring Process

Applications will be subject to periodic reviews and the property will be visited up to 4 times per year by Economic Regeneration.

In the case of empty periods extending beyond 12 months, a review will be carried out at the end of 12 months which will require audited accounts and a revised business plan to be submitted, an inspection of the premises will also be carried out.

Any applicant subsequently found to have deliberately misled the Council as to their intentions in relation to this policy may have any relief previously awarded withdrawn.

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21. Hardship Relief

21.1 Background

Section 25A of the Local Government (Scotland) Act 1966 (as amended by section 156 of the Local Government etc. (Scotland) Act 1994) allows rating authorities to abate, in full or in part, a ratepayer's liability where they are satisfied that:

- The person would sustain hardship if the authority did not do so; and
- It is reasonable for the authority to do so, having regard to the interests of persons liable to pay council tax set by them.

21.2 Council Policy

Under this policy the Council may grant relief to premises which fall within the Hardship Relief category, 25% of any award will be met by the Council. Hardship Relief will be considered in respect of applications that meet the eligibility criteria specified below and fulfil all the requirements of the application process.

21.3 Eligibility

On application by a ratepayer, the Chief Financial Officer may award hardship relief where he is satisfied that the ratepayer would otherwise suffer hardship and that the interests of council tax payers in the Inverclyde Council area would be best served by awarding relief.

In considering whether the interests of council taxpayers are being best served, the Chief Financial Officer may consult with other Services as appropriate, and will assess the extent to which an award safeguards employment, alleviates poverty and promotes local economic development.

As an alternative to the award of Hardship Relief, the Chief Financial Officer may, where it is considered appropriate, first offer to put in place a payment arrangement in respect of any Non Domestic Rates arrears. This would allow the business to spread the repayment over a longer period of time. Any arrangement would require future rating liability to be paid concurrently with the arrears repayments.

The Subsidy Control Act 2022 ("the Act") is applicable from 4 January 2023. This relief is likely to be considered a subsidy under the Act. Public authorities should consider whether this relief is awarded as Minimal Financial Assistance (MFA), or whether it meets the other subsidy control requirements of the Act. This relief is listed in the Non-Domestic Rates (Restriction of Relief) (Scotland) Regulations 2023.

21.4 Application Process

In order to make an application for Hardship Relief a letter must be submitted with supporting evidence, such as:

- Documentary evidence that hardship has occurred in the business, e.g. a drop in sales has occurred or perhaps where a major customer has recently folded leaving a significant debt that is legally non-collectable
- Details of any cash-flow / liquidity problems that have occurred providing documentary evidence of such

Inverclyde Council – Finance Services Revenues and Benefits

Appendix 1

- A copy of the business's most recent Financial Accounts
- A copy of the business's Monthly Management Accounts for the current financial year
- A copy of the business's most up to date business plan
- A statement explaining what action has been taken to avoid hardship
- Details of any other assistance the business may have received, or has currently applied for, and in particular assistance to overcome business difficulties
- A statement outlining how an award of rates relief would serve the interests of Council Tax payers in the Inverclyde Council area
- A statement outlining the impact on the business should rates relief not be awarded

Hardship Relief will only be considered for the period the application relates to and will not be applied without limit of time. A new application will be required if the applicant feels that relief should be awarded in subsequent years.

22. Stud Farms

22.1 Background

The rateable value of lands and heritages which comprise or include buildings used for the breeding and/or rearing of horses and occupied with agricultural land or agricultural buildings should be ascertained by making a deduction from what would otherwise be the rateable value. The deduction is made from the value of the whole property by the local assessor to reflect how much of the property is used as a stud farm. The maximum amount of the deduction the assessor can make is determined by the Scottish Ministers by order and currently stands at **£3,500**.

Additionally, stud farms newly established on or after 1 April 2003 are eligible for discretionary rates relief if the rateable value amounts to **£7,000** or less.

Paragraph 4 (discretionary relief) of Schedule 2 to the Local Government and Rating Act 1997 (“the 1997 Act”), as amended by section 28(4)(c) of the Local Government in Scotland Act 2003, makes provision for discretionary rate relief to be granted to eligible stud farms

22.2 Council Policy

Under this policy the Council may grant relief to premises which fall within the Stud Farm Relief category, 25% of any award will be met by the Council. 100% Stud Farm Relief will be considered in respect of all applications that meet the eligibility criteria specified below and fulfil all the requirements of the application process.

22.3 Eligibility

In order to qualify the stud farm must have a rateable value under £7000 and be newly set up on former agricultural property.

This relief is likely to be considered a subsidy under the Act. Public authorities should consider whether this relief is awarded as MFA, or whether it meets the other subsidy control requirements of the Act.

22.4 Application Process

An application must be made in writing and the applicant must submit all relevant information required in order to make a determination.

22.5 Backdating

Relief can be granted from the start of the financial year in which the application is made and can only be backdated in exceptional circumstances.

23. Rural Rates Relief

23.1 Background

The Local Government and Rating Act 1997 made provision that certain types of businesses located within a rural settlement with a population below 3,000, and in an area designated as rural by Scottish Ministers, may be eligible for mandatory relief of rates, Section (2).

Councils also have discretionary powers to grant up to 100% rate relief to properties within a rural settlement with a rateable value of £17,000 or less, used for purposes that are beneficial to the local community.

The property must be located within a settlement recorded on the council's Rural Settlement List, which must include areas where:

- I. Population is not more than 3,000, AND
- II. Within an area designated by the Scottish Government as a rural area.

23.2 Council Policy

Under this policy the Council may grant up to 100% discretionary relief in respect of properties included in the Council's Rural Settlement List with an RV up to £17,000 which provide a service which is of benefit to the community where they consider it would be in the interest of council tax payers to do so.

23.3 Eligibility

Where a property is located in a rural settlement and its rateable value does not exceed £17,000, the Council may make an award of discretionary rural rates relief, provided that the property in question is being used for purposes which benefit the local community, and the award of relief will serve the interests of council tax payers.

The Subsidy Control Act 2022 ("the Act") is applicable from 4 January 2023. This relief is likely to be considered a subsidy under the Act. Public authorities should consider whether this relief is awarded as Minimal Financial Assistance (MFA), or whether it meets the other subsidy control requirements of the Act. This relief is listed in the Non-Domestic Rates (Restriction of Relief) (Scotland) Regulations 2023.

23.4 Application Process

In order to make an application for Rural Rates Relief an application form must be fully completed and submitted with supporting evidence:

All applications will be authorised by the Revenues & Recovery Team Leader prior to processing relief.

23.5 Backdating

An application for relief can be backdated to the start of the financial year in which the application is made provided the organisation satisfied the requirements at that time.

24 Empty Property Relief

24.1 Background

24.1.1 With effect from 1 April 2023 local authorities were required to set their own policy for the rating and reliefs of unoccupied properties. Empty property rating and relief is no longer a mandatory relief of rates as existing regulations do not apply from that date.

24.1.2 Section 19 of the Non-Domestic Rates (Scotland) Act 2020 repealed Section 24 of the Local Government (Scotland) Act 1966. The default position with effect from 1st April 2023 is that non-domestic rates are now payable in respect of unoccupied lands and heritages.

24.1.3 Section 140 of the Community Empowerment (Scotland) Act 2015 added Section 3A to the Local Government (Financial Provisions etc.) (Scotland) Act 1962, permitting local authorities to introduce a scheme to reduce or remit any rate leviable by it.

24.1.4 Council policy replicates the previous legislative arrangements from 1st April 2023 with amendments to this Non-Domestic Rates Empty Property Relief (NDR EPR) Policy taking effect from 1st October 2024.

24.1.5 Amendments to this policy will be subject to review should funding arrangements change or if other local arrangements require to be taken into account.

24.2 Council Policy

24.2.1 Councils can provide relief of up to 100% of the rates due.

24.2.2 Under this policy the Empty Property Reliefs applied by Inverclyde Council are:

24.2.3 Unoccupied property is eligible for 50% relief while so unoccupied for the first three months of such unoccupation reducing to 10% relief thereafter for the period that the property remains empty. Where such a three month period of unoccupancy commenced prior to the coming into force of this policy (the policy date) then relief under this paragraph 3.2.1 will only apply for the balance of that three month period that is on or after the policy date, unless earlier brought to an end by the property ceasing to be unoccupied.

24.2.4 Unoccupied industrial property is eligible for 100% relief while so unoccupied for] the first six months of such unoccupation where such a period of unoccupancy commenced prior to 1st October 2024, relief under this paragraph 3.2.2 will only apply for the balance of that six month period that is on or after the coming into force of this policy (the policy date) or the policy amendment date, unless earlier brought to an end by the property ceasing to be unoccupied, and 10% relief thereafter, until occupied.

24.2.4 Unoccupied listed building property is eligible for 100% relief while so unoccupied for] the first twelve months of such unoccupation, 50% relief for a further twelve months after which the level of relief reduces to 0%. Where a period of unoccupancy commenced prior to the coming into force of this policy amendment then 100% relief under this paragraph 3.2.3 will apply until 30th September 2025, followed by 50% for a further twelve months after which the level of relief reduces to 0%, unless earlier brought to an end by the property ceasing to be unoccupied.

24.2.5 100% relief is awarded indefinitely for unoccupied properties where the property is empty and:

- subject of a building preservation order; or
- the rateable value is under £1,700; or
- where the person entitled to possession of the property is so entitled by virtue only of being:
 - the Trustee under a Trust Deed for creditors or under an award of Sequestration; or
 - the Executor of a Deceased person; or
 - a liquidator by virtue of an order made under section 112 or section 145 of the 1986 Act;
- kept vacant by reason of action taken by or on behalf of the Crown or any local or public authority with a view to prohibiting the occupation of the lands and heritages or to acquiring them; or
- the owner of the property is prohibited by law from occupying them or allowing them to be occupied; or
- has no buildings (i.e. ground or land that contain no buildings); or
- the owner is a company or limited liability partnership, which on or after 1st April 2008 (i) remains subject to an administration order made under Part II of the 1986 Act, or (ii) is in administration within the meaning of paragraph 1 of schedule B1 of that Act; or the owner is a company or limited liability partnership which is subject to a winding-up order made under the 1986 Act or which is being wound up voluntarily under that Act.

24.2.6 In this policy, and with particular reference to paragraphs 3.2.1 to 3.2.5:

- “1986 Act” means the Insolvency Act 1986;
- “building preservation order” means a building preservation notice within the meaning of section 3(1) of the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997;
- “industrial property” means lands and heritages (other than retail property) comprising one or more buildings which is, or all of which are—
 - (a) constructed or adapted for use in the course of a trade or business; and
 - (b) constructed or adapted for use for one or more of the following purposes, or one or more such purposes and one or more purposes ancillary thereto:—
 - (i) the manufacture, repair or adaptation of goods or materials;
 - (ii) the subjection of goods or materials to any process;
 - (iii) storage (including the storage or handling of goods in the course of their distribution);
 - (iv) the working or processing of minerals;
 - (v) the generation of electricity;
- “listed building” means lands and heritages included in a list compiled under section 1 of the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997;
- “retail property” means any lands and heritages where any building or part of a building comprised in them is constructed or adapted for the purpose of the retail provision of—
 - (a) goods; or
 - (b) services (other than storage for distribution services) on or from the lands and heritages.

24.3 Eligibility

24.3.1 Eligibility for Empty Property Relief shall be determined in accordance with this policy.

24.3.2 A decision will be made on whether the property is eligible following receipt of an Applicant's application form.

24.3.3 Any additional information or evidence required will be requested from the owner.

24.3.4 Visiting officers may also be utilised to follow up on individual properties.

24.3.5 Officers will carry out checks to verify applications and any decision made is final subject to review.

24.4 Subsidy Control

24.4.1 The Council must consider and comply with the Subsidy Control Act 2022 (the "Act") in relation to the local reliefs and reductions it provides under this policy. Where a recipient or as the case may be prospective recipient (referred to in either case here as the "Applicant") of empty property rates relief is involved in commercial activity, the Council will have to consider whether an award of relief would result in the level of financial assistance received by that Applicant in the applicable period as set out in Section 36 of the Act exceeding the permitted level of minimal financial assistance ("MFA") as set out in the Act, and may reduce the amount of relief awarded in terms of this policy if the MFA limit would be exceeded. The Council's use of application forms to request information from Applicants shall assist the Council in determining the subsidy position.

24.5 Application Process

24.5.1 Applications for Empty Property Relief are made by completing the relevant application form accompanied by relevant supporting evidence. Application forms are available on the Council's website: [Reductions on your Rates bill - Inverclyde Council](#).

24.6 Backdating

24.6.1 An application for relief can be backdated to the start of the financial year in which the application is made provided the organisation satisfied the requirements at that time. Any applications for the previous financial year can be considered provided sufficient evidence is submitted in support of the application. Consideration may also be given where an organisation has been rated retrospectively either through the actions of the Council or the Assessor

25. Appeals Process

In respect of all Mandatory Reliefs, once an application has been processed, the ratepayer will be notified in writing of the decision. If the ratepayer disagrees with the decision, they can appeal in the first instance by writing to the Revenues & Benefits Manager.

Once an application for a Discretionary Relief has been processed, the ratepayer will be notified in writing of the decision. As this is a discretionary power there is no formal appeal process against the Council's decision. However the decision can be re-considered in the light of any additional points that the ratepayer wishes to make.

Applicants who disagree with any decisions in relation to the Short Term Part Empty Relief policy and Hardship Relief policy have a right of appeal to the Chief Financial Officer

Appeals must be made within 28 days of the decision being notified.

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Inverclyde Council – Finance Services Revenues and Benefits

26. Financial Implications

In respect of Mandatory Reliefs, Sports Club Relief and Short Term Part Empty Relief there are no financial implications for the Council, under the National Rates pooling arrangements all costs are met by the Scottish Government.

Under the National Rates pooling arrangements, 25% of the cost of all other Discretionary Relief and Hardship Relief must be met by the Local Authority. The cost of Empty Property Relief is met in full by the Local Authority.

The table below details the percentage of discretionary relief allowed by legislation, the percentage awarded under this policy and the financial implications to the council of any award.

Discretionary Relief Type	% Discretionary Relief Allowed by legislation	% Discretionary Relief Awarded by Council policy	% cost of Discretionary Relief to be borne by NDR Pool (if relief awarded)	% cost of Discretionary Relief to be borne by the Council (if relief awarded)
Charitable Relief (i)	20%	20%	75%	25%
Non Profit Making Organisations	100%	100%	75%	25%
Rural Rates Relief	50%	50%	75%	25%
Stud Farm Relief	100%	100%	75%	25%
Short Term Part Empty Relief	100% (of empty part)	100% (of empty part)	100%	0%
Hardship Relief	Up to 100%	Up to 100%	75%	25%
Sports Relief (Unlicensed)	100%	100%	100%	0%
Sports Relief (Licensed)	Up to 100%	Up to 100%	100%	0%
CASC (Unlicensed)	20%	20%	75%	25%
CASC (Licensed)	20%	0%	75%	25%
Empty Property Relief (i)	Not applicable	Up to 100%	0%	100%

(i) Restrictions apply – see policy detail.

27. Review of Policy

This Policy will be reviewed a minimum of once every four years with the next review due June 2028. Amendments to The Empty Property Relief policy will be subject to review should funding arrangements change or if other local arrangements require to be taken into account.

SUMMARY OF PROPOSED REVISIONS TO NON DOMESTIC RATES RELIEF POLICY – JUNE 2024

PAGE	TITLE	SECTION	PROPOSED CHANGE
2/3	Document Control Page	N/A	Minor amendment to text
4	Table of Contents	N/A	Minor amendment to page numbers
5	Introduction	N/A	Minor amendment to text to include the inclusion of the discretionary nature of the Empty Property Relief Policy
multiple	Various mandatory reliefs	multiple	Legislative changes to thresholds, levels of relief and qualifying periods are incorporated throughout the policy
multiple	Subsidy control	multiple	Reference to state aid is replaced with the Subsidy Control Act 2022
multiple	Reference to minority groups	multiple	Reference to minority groups replaced with groups with protected characteristics under the Equalities Act 2010
multiple	Directorate, Service and Job Titles	multiple	Minor amendments to text
12-13	Small Business Bonus Scheme (SBBS)	4	Exclusion of unoccupied property from 1 April 2020. Exclusion of advertisements, car parks, betting shops and payday lending businesses from 1 April 2023.
15-17	Renewable Energy	6	Introduction of relief for lands and heritages used solely as hydro schemes for the generation of renewable heat and/or power.
20	District Heating Relief	8	Introduction of relief for lands and heritages used wholly or mainly for the purposes of a district heating network
21	Business Growth Accelerator Relief	9	Introduction of relief for certain types of new or improved business properties.
22	Day Nursery Relief	10	Introduction of relief for occupiers of properties where day nursery provision is made.
23	Mobile Mast Relief	11	Introduction of relief for mobile masts or towers located in specific grid references.
24	New Fibre Relief	12	Introduction of relief for new fibre used for the purposes of facilitating the transmission of communications.
26	General Revaluation Transitional Relief	14	New mandatory relief introduced from 1 April 2023 for a period until 31 st March 2025
27	Small Business Transitional Relief	15	New mandatory relief introduced from 1 April 2023 for a period until 31 st March 2026

28	Parks Transitional Relief	16	New mandatory relief introduced from 1 April 2023 for a period until 31 st March 2025
46-48	Empty Property Relief	24	Inclusion of Council policy and the removal of the mandatory relief it replaced.
50	Financial Implications	26	Minor additional text
50	Review of Policy	27	Minor amendment to text

A Short Guide to Non-Domestic Rates and Reliefs 2024-25

If you pay non-domestic rates (NDR), your property may be eligible for non-domestic rates relief. A number of reliefs are available for certain types of property.

Below is a summary of the property rates and main reliefs for 2024-25 (note these are set out in legislation and are subject to Scottish parliament scrutiny). Rates and reliefs for the next financial year (which runs from 1 April to 31 March) are announced annually in the Scottish Budget, usually published in December.

Most reliefs are application-based and ratepayers who think they may be eligible for an NDR relief on their property should check their council website for further information and the process for application.

Non-Domestic Rates 2024-25

Basic Property Rate ('poundage') (properties with a rateable value up to and including £51,000)	49.8p
Intermediate Property Rate (properties with a rateable value between £51,001 and £100,000)	54.5p
Higher Property Rate (properties with a rateable value above £100,000)	55.9p

Small Business Bonus Scheme (SBBS)

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

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

For ratepayers with only one non-domestic property, the relief available is:

Rateable Value	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%

For ratepayers with more than one property, the relief available is:

Cumulative Rateable Value	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 is not available to advertisements, car parks, betting shops or payday lending businesses.

Islands and Remote Areas Hospitality Relief

100% relief in 2024-25 for properties in the hospitality sector located on islands as defined by the Islands (Scotland) Act 2018, as well as in specified areas of Knoydart, Scoraig and Cape Wrath, capped at £110,000 per business.

General Revaluation Transitional Relief

The General Revaluation Transitional Relief caps annual gross bill increases caused by the 2023 revaluation at a specified percentage increase. These caps apply to all property types.

General Revaluation Transitional Relief 2024-25 (year-on-year caps)

Rateable Value (per property)	2024-25
Up to £20,000	25%
£20,001 to £100,000	50%
Over £100,000	75%

Additional conditions apply if the property is split or re-organised with effect from 1 April 2023.

Small Business Transitional Relief (SBTR)

Where, due to the 2023 revaluation, a property is no longer eligible for the SBBS, or Rural Rate Relief, or the amount of SBBS relief the property is eligible for has reduced, the maximum increase in the NDR bill for each qualifying property, compared to the amount payable as at 31 March 2023, is capped at £1,200 in 2024-25. This will rise to £1,800 in 2025-26 with no SBTR cap in place from 2026-27.

Parks Transitional Relief

Properties in parks liable for rates for the first time on 1 April 2023 are eligible for 33% relief in 2024-25. No Parks Transitional Relief will be in place from 2025-26.

Fresh Start Relief – for newly re-occupied properties

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.

Business Growth Accelerator Relief (BGA) – for new build properties, or property improvements or expansions

Ratepayers investing in new build property or property improvements may be entitled to 100% relief on the property for a specified period of time.

New build

Where a newly built property has been entered in the valuation roll within the last 12 months, 100% relief is available until 12 months after the property becomes occupied, or four years after the date on which the entry in the valuation roll took effect, whichever is sooner.

Where the new build has been entered into the valuation roll more than 12 months previously, 100% relief is available until 12 months after the property becomes occupied or the latter of the following dates: 31 March 2025 or four years after the date that the entry in the valuation roll took effect.

Property Improvements

Where a property is expanded or improved, the property may be eligible for BGA relief which would mean the non-domestics rates charged on the property would not increase (to reflect the improvement or expansion) for 12 months.

Where a property in receipt of new-build relief is further improved during the period for which BGA relief for a new build has been granted, relief available is the amount of non-domestic rates payable that has resulted from the increase in rateable value.

Where an existing entry on the valuation roll comprises a building which has had a property improvement, 100% relief is available for 12 months on the *increase* in rateable value due to that improvement.

Certain conditions apply in relation to properties which are divided, split, merged or re-organised. See the Annex for examples.

District Heating Relief

Premises being used wholly or mainly for a district heating network may be eligible for 50% relief until 31 March 2032.

Where district heating networks are powered by renewables, 90% relief is available where at least 80% of the thermal energy generated derives from renewable sources (see below for eligible renewables). This relief is available until 31 March 2027.

Renewable Energy Generation Relief

Up to 100% relief is available for renewable energy generation schemes which give one or more community organisations at least 15% of their annual profit, or an amount equal to the annual profit equivalent to 0.5 megawatt of the total installed capacity of the project.

Renewable Energy Relief thresholds

Rateable Value	Relief (%)
up to £145,000	100
over £145,000 and up to £430,000	50
over £430,000 and up to £860,000	25
over £860,000 and up to £4 million	10
over £4 million	2.5

To be eligible the generation activity should both take place at the eligible property itself, be the main use of the property, and the heat or power must use from renewable sources (see below).

Hydro schemes with a rateable value of no more than £5 million are eligible for 60% relief until 31 March 2032.

Renewables means producing heat or power from any of the following sources:

- biomass
- biofuels
- fuel cells
- photovoltaics
- water (including waves and tides, but excluding production from the pumped storage of water)
- wind
- solar power
- geothermal sources.

Rural Relief

Certain properties in a designated rural area (with a population below 3,000) may be eligible for up to 100% relief. Those properties must be on the council's rural settlement list and be:

- a small food shop, general store or post office with a rateable value below £8,500
- a small hotel, public house or petrol filling station with a rateable value of up to £12,750
- any other business providing a benefit to the community with a rateable value of up to £17,000.

Enterprise Areas Relief

For businesses in receipt of Enterprise Areas relief in 2023-24, the following levels will be available for 2024-25, and 2025-26. This relief will end on 31 March 2026.

Enterprise Areas Relief and Thresholds

Rateable Value	Relief Available	
	2024-25	2025-26
£120,000 or less	66.7%	33.3%
£120,001 to £240,000	33.3%	16.7%
£240,001 to £480,000	16.7%	8.3%
£480,001 to £1,200,000	6.7%	3.3%
£1,200,001 to £2,400,000	3.3%	1.7%
Over £2,400,000	1.7%	0.8%

Sports Club Relief

Properties occupied by a Community Amateur Sports Club (CASC) registered with HM Revenue and Customs, may be entitled to 80% relief. Councils have discretion to offer a further 20% relief.

Properties occupied by certain other sports clubs that are not CASCs or registered charities may be eligible to receive up to 100% relief at the discretion of the local authority, and in accordance with the sports club relief statutory guidance (Local Government Finance Circular 03/2021).

Charity Relief

Registered charities may be eligible for 80% rates relief if their property is mostly used for charitable purposes. Councils have discretion to offer a further 20% relief. Councils also have discretion to offer up to 100% relief on properties used by other not-for-profit organisations:

- who carry out work for charitable, philanthropic or religious purposes, or
- who are concerned with education, social welfare, science, literature or the fine arts
- who are mainly used for recreation such as sports clubs.

Other Reliefs

The following other reliefs also continue to be available:

Day Nursery Relief
 Disabled Persons Relief
 Hardship Relief
 Telecommunications Relief
 New Fibre Infrastructure Relief
 Stud Farms Relief

Empty Property Relief was devolved to local authorities on 1 April 2023. Please check individual council websites for information on any local relief they may offer for unoccupied properties in 2024-25.

Further information

An overview of all the national non-domestic rates reliefs in Scotland can be found at: <https://www.mygov.scot/non-domestic-rates-relief>.

Further detail can also be found in [Local Government Finance Circular 05/2024: non-domestic rates relief guidance](#).

The [Non-Domestic Rates calculator](#) gives an estimate of your non-domestic rates bill for the tax year. The calculator also shows whether a property may be eligible for Small Business Bonus Scheme, and which council is responsible for the rates including determining eligibility for any reliefs.

Some reliefs might be affected by subsidy control rules.

Further information on non-domestic valuation can be found at: [Non Domestic Valuation – Scottish Assessors \(saa.gov.uk\)](#)

Business Growth Accelerator (BGA) Relief Examples

Scenario 1: A warehouse is built on bare ground and added to the valuation roll as a new entry with effect from 1 April 2023.

100% relief for 12 months from the date of first occupation, or four years from date of entry on valuation roll (i.e. 1 April 2027) where it has been continuously unoccupied, whichever is sooner.

Where the building is occupied at different stages, with different entries on the valuation roll, for instance if different businesses set up separate units in the warehouse, the relief will be available for each separate eligible entry on the roll.

Scenario 2: A newly built warehouse is later divided resulting in separate entries on the valuation roll.

Where a warehouse was previously granted BGA relief and is then divided with separate entries added to the valuation roll, the relief will continue to be available if the property has not been occupied since the relief was granted.

Relief will continue to be available for the separate entries - the period of relief will depend on whether the building, or part building, in any of the separate entries have been occupied since the relief was first granted for the warehouse.

Scenario 3: An existing warehouse is divided, resulting in separate entries on the valuation roll.

Relief is not available if the buildings, any part of the buildings, were previously shown as an entry on the valuation roll.

Scenario 3: An existing property is altered and now includes new buildings or parts of buildings that were not previously on the valuation roll.

100% relief for 12 months is available, provided the property was unoccupied on the day before the alteration took effect.

Scenario 4: A warehouse benefiting from BGA relief is improved by way of refurbishment, expansion or construction.

100% relief on the new increase in rateable value for 12 months. The improvement must not involve any lands and heritages which were included within a different entry in the valuation roll immediately prior to the day the valuation roll amendment takes effect.

Scenario 5: A shop is extended, refurbished or improved e.g. with air conditioning, resulting in an increase in rateable value.

100% relief for 12 months on the increase in value which is due to the extension or improvement. This does not apply if the extension or improvement arises from a

combination, division or reorganisation of lands and heritages which were previously shown, in whole or in part, in different entries in the roll.

Where the rateable value is reduced during the improvement work, the comparable value is the rateable value of the property before the works commenced.