



The Scottish
Government

Business Rates Revaluation 2010

General Information Leaflet

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General Information Leaflet

What is revaluation?

Every five years all non-domestic (business) properties in Scotland are given new rateable values. This new valuation will be used by your local authority to calculate your business rates bill. The next revaluation comes into effect on 1 April 2010.

What are rateable values?

The Scottish Assessor, who is independent of both local and central Government, determines the rateable value of every business property in Scotland and sets this out in a revaluation notice.

Your revaluation notice states the rateable value for your property, with effect from 1 April 2010. Valuations and practice notes on methods of valuation are available at www.saa.gov.uk. You can also use a search facility on this website to find your rateable value.

Generally speaking (unless there are e.g. changes to the property), this rateable value will apply until the next revaluation in 2015.

What if I disagree with the rateable value?

If you consider your rateable value to be wrong you have a right to appeal and you should contact your Assessor's office (address and telephone number included in the Revaluation Notice). The final date for submission of appeals is 30th September 2010. Further information on the appeals process can be found on the Scottish Government website at: www.scotland.gov.uk/revaluation

How is my bill calculated?

To calculate your bill your local authority will multiply your rateable value by a “pence in the pound rate”, which is known as the poundage. This rate is set by the Scottish Government and, from 1 April 2010 until 31 March 2011, will be 40.7p in the pound. To calculate the rates bill for your property, you should multiply your rateable value by this poundage rate.

Ratepayers who occupy a business property with a rateable value above £35,000 from 1 April 2010 will pay a small supplement on the poundage rate (0.7p) towards the cost of the Small Business Bonus Scheme.

To help you a “Rates Calculator” is available on the Scottish Government website at www.scotland.gov.uk/revaluation.

Remember you must continue to pay the rates as billed even if you have lodged an appeal.

Professional advice

If you are considering seeking independent advice on revaluation, members of the Royal Institution of Chartered Surveyors (RICS) and the Institute of Revenues, Rating and Valuation (IRRV) have produced information on combating “cowboy” business rates advisors.

Rating consultancy is a specialist service provided by some members of RICS and the IRRV.

These bodies, along with the Rating Surveyors Association (RSA) have agreed a Rating Consultancy Code of Practice which sets down the standards which a member should follow in relation to handling a non-domestic valuation appeal. Further information can be obtained by telephoning RICS on 0870 333 1600. Advice can also be obtained from IRRV on 0207 831 3505 or www.irrv.org.uk

Discounts on your Bill

There are a number of business rate reliefs (discounts) available and we can only explain them briefly here. Further information on rate reliefs can be found at www.scotland.gov.uk/revaluation or you can call your local authority. It is free to apply for reliefs and you should be wary of anyone who proposes to charge a fee to apply on your behalf.

If you are currently receiving relief you should not need to reapply, **but if you are in any doubt, please contact your local authority.**

The Small Business Bonus Scheme

The rateable value thresholds have been uplifted following the 2010 Revaluation. If you think you are eligible for this relief and not currently receiving it, you must apply to your local authority.

The simple application form will only take a few minutes to complete and you need to supply the name of the business, address and the rateable value.

Combined rateable value (RV) of all business properties in Scotland:	2010-11 Discount from 1 April
Up to £10,000	100%
£10,001 to £12,000	50%
£12,001 to £18,000	25%
Upper limit for cumulative (RV)* £25,000	25%

*This will allow a business with two or more properties with a cumulative rateable value up to £25,000 to qualify for relief at 25% on individual properties with a rateable value of £18,000 or less (see illustrative examples).

The Small Business Bonus Scheme provides relief (discounts) to businesses with properties in Scotland of which the combined rateable value is £18,000 or less. The maximum saving in 2010-11 is £4,070.

In addition, for 2010-11 onwards, where the cumulative rateable value of a businesses properties falls between £18,000 and £25,000, the Scheme will offer 25% relief to individual properties with a rateable value of £18,000 or under. See examples 6 and 7.

The exact level of relief depends on the total rateable value of all subjects occupied by the rate-payer; and whether or not the property is eligible for any other relief.

Illustrative Examples: Small Business Bonus 2010-11

Example 1: Single property

You have a shop with a rateable value of £10,000. You have no other business properties in Scotland.

Small Business Bonus relief available = 100%

Rates payable =

Rateable value x (100% - percentage relief)
x poundage rate

= £10,000 x 0% x 40.7p = £0

Example 2: More than one property – single local authority area

Your business has three shops in South Ayrshire, each with a rateable value of £5,000. You have no other business premises in Scotland.

Small Business Bonus relief of 25% would be awarded based on a combined rateable value of £15,000.

Rates payable = £15,000 x 75% x 40.7p
= £4,578

Example 3: More than one property – more than one local authority area

Your business has two offices, one in Edinburgh and one in Glasgow, with rateable values of £5,000 and £6,000 respectively. You have no other business premises in Scotland.

Small Business Bonus relief available is 50% based on a combined rateable value of £11,000.

Rates payable: Edinburgh = £5,000 x 50% x 40.7p = £1,017

Rates payable: Glasgow = £6,000 x 50% x 40.7p = £1,221

Example 4: Single property eligible for relief under a rural rates relief scheme

You operate a post office in a designated rural area with a rateable value of £7,000 and are currently in receipt of 50% rural rate relief.

Rural rate relief available is 50%

Small Business Bonus relief would be available at 100%, but this is reduced to 50%, because you are already receiving rural rate relief at 50%.

Rates payable = £7,000 x 0% x 40.7p = £0

Note: In **Example 4**, you could have applied for Small Business Bonus relief only instead of both Small Business Bonus relief and rural rates relief, and you would have received exactly the same level of relief.

Example 5: Two properties, one occupied, one empty

Your business has two shops, one with a rateable value of £2,500 and the other with a rateable value of £8,000. The larger shop has been empty for more than three months and you are therefore in receipt of empty property relief of 50%.

Smaller shop: Small Business Bonus of 50% would be available, based on combined rateable value of £10,500.

Rates payable = £2,500 x 50% x 40.7p
= £508

Larger shop: Small Business Bonus would be available at 50%, but this is reduced to **nil**, because you are already receiving empty property relief at 50%.

Rates payable = £8,000 x 50% x 40.7p
= £1,628

Example 6: three properties each with a rateable value of £7,000, cumulative rateable value £21,000

Your business has three shops, each with a rateable value of £7,000, the cumulative rateable value is £21,000.

Rates payable: Small Business Bonus of 25% would be available for each shop, based on a cumulative rateable value of £21,000, which is less than the £25,000 threshold, and with each property falling within the £18,000 eligibility threshold for the Scheme.

Total rates payable = 3 x £7,000 x 75% x 40.7p = £6,410

Example 7: More than one property, one rateable value over £18,000, one £4,000, cumulative rateable value £23,000

Your business has two shops, one with a rateable value of £19,000 and the other with a rateable value of £4,000. The cumulative rateable value is £23,000.

Smaller shop: Small Business Bonus of 25% would be available, based on a cumulative rateable value of £23,000, which is less than the £25,000 threshold, and with the property falling within the £18,000 eligibility threshold for the Scheme.

Rates payable = £4,000 x 75% x 40.7p
= £1,221

Larger shop: Small Business Bonus would not be available, because the rateable value is over the £18,000 eligibility threshold for the Scheme.

Rates payable = £19,000 x 100% x 40.7p
= £7,733

The Rural Rate Relief Scheme

The thresholds of the rural rate relief scheme have been increased from 1 April 2010:

Qualifying business properties	2010-11 Rateable value threshold
Sole shop, general store or post office	£8,500
Sole petrol filling station, hotel or pub	£12,750
Cap for discretionary relief	£17,000

The threshold for 50% mandatory rate relief to qualifying post offices, general stores and small food stores is £8,500; for qualifying petrol filling stations, hotels and public houses it is £12,750. Additionally local authorities have discretion to grant up to 100% relief to qualifying properties which are beneficial to the local community. This rateable value threshold is £17,000.

The Empty Property Rate Relief Scheme

There is no change to the current empty property rate relief, which grants 100% mandatory rates relief to properties which are empty for the first 3 months and 50% discount thereafter.

Additionally properties such as industrial or listed buildings and properties with rateable values of less than £1,700 pay no rates even after the first 3 months.

Charities relief

No change to current scheme. If your organisation is a registered charity listed on the register maintained by the Office of the Scottish Charity Regulator or the local authority determines that property occupied by your organisation is used “wholly or mainly for charitable purposes”, you may be entitled to up to 100% relief.

Renewable Energy Producers relief

A new targeted relief for properties solely used for renewable energy production will be introduced from 1 April 2010. It will offer relief up to 100%. This relief will operate under State aid *de minimis*.

Other reliefs (discounts)

Other reliefs are available and certain classes of property, such as religious or agricultural properties are exempt from payment of rates.

If you think you may be entitled to relief you should contact your local authority.

Finding out more

Your local Assessor will be happy to answer any queries on the rateable value of your property or appeals. For contacts please visit www.saa.gov.uk

If you have a query about your business rates bill or think you may be entitled to a discount, such as small business bonus, you should contact your local authority. Contact details and further information on reliefs are available at www.scotland.gov.uk/businessrates

This leaflet is available on the Scottish Government web site at www.scotland.gov.uk/revaluation



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