



Business Rates Newsletter

April 2023 Update

Welcome to our April Newsletter of 2023!

With lots of questions coming in from clients, old and new, we have attached our most recent Business Rates Brochure highlighting how we can assist you through the upcoming challenging months. If there is anything else you would like to know, please find contact details for our team at the bottom of this newsletter.

[**Click to View Brochure**](#)

2023 Rating Revaluation Process Begins!

The new Valuation Notices recently issued by Assessors now take effect with rates bills being received within the next week. The values can be challenged up until 31 July 2023.

This has coincided with changes in Small Business Rates Relief throughout the country and vacant rates relief in Aberdeen.

Rate Poundage

Non-Domestic Rates Basic Property Rate ('Poundage') 49.8p

Intermediate Property Rate (rateable values between £51,001 and £100,000) 51.1p

Higher Property Rate (rateable value above £100,000) 52.4p

Proposals Replace Appeals!

- The Scottish Government have amended the whole process of challenging the new 2023 rateable values
- A challenge to value must now be a formal 'Proposal' which has to include detailed reasons for the challenge, evidence supporting the Proposal and a formal valuation
- The full content has not been defined and there is worry that individual Assessors will adopt different criteria
- The Assessor has the option to refuse the Proposal if they do not believe it provides sufficient information
- Proposals can be lodged after 1 April 2023 with the last date being 31 July 2023

Complexity of Proposals

- The whole process is to reduce the numbers of appeals / proposals lodged!
- The Proposal will require knowledge of Rating valuation and the property market in order to include comparable evidence
- It will be extremely difficult for a ratepayer to collate and submit a Proposal
- The factual content has not been confirmed but likely to require the following:
 - Provision of building dimensions
 - Schedule of photographs

- Property description, details of plant and machinery
- Details of property services -heating, lighting, air conditioning etc
- Consideration of age, condition and obsolescence of the building
- Outline details of building /site deficiencies
- Building and site plans (if available)
- Building maintenance report (if available) to substantiate allowances

Loss of Rates Relief !

Small Business Bonus Scheme (SBBS) relief has been amended and will only be available at 100% for properties with a rateable value of up to £12,000 and the upper rateable value for individual properties to qualify for SBBS relief will be extended from £18,000 to £20,000.

It is proposed to taper SBBS relief for properties with a rateable value between £12,001 and £20,000: relief will taper from 100% to 25% for properties with rateable values between £12,001 to £15,000; and from 25% to 0% for properties with rateable values between £15,001 to £20,000. Cumulative rules will remain in place including the £35,000 cumulative rateable value threshold.

Car parks, car spaces, advertisements and betting shops will be excluded from eligibility for SBBS from 1 April 2023.

Empty Property Relief is being devolved to local authorities on 1 April 2023. The devolution of this relief enables councils to change rates relief on unoccupied properties in their own locality. The Scottish Government is also to bring forward regulations intended to empower councils to tackle rates avoidance more effectively. This could include relief on buildings under demolition or reconstruction. All the other existing rates reliefs packages will be maintained in 2023-24.

The devolved power on rates relief to Councils is of concern as the previous consistent approach throughout the country was understandable and this has already resulted in a different system in place in Aberdeen city with the reduction in relief on industrial and Listed Buildings. This is now 50% for 3 months then 10% thereafter.

Other Councils may review relief for financial year 2024/25.

It should be noted a reduction in relief between Revaluations does not give rise to a new Appeal or challenge.

