



Business Rates Newsletter

December 2023 Update

Welcome to our December 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

The last date for the submission of a formal Proposal, challenging the new Ratable Value, was the 31 August 2023. This is a new system and there have been disagreements between Agents and Assessors on requirements. In many cases Assessors have requested further information.

Due to the number of outstanding 2017 Revaluation appeals the Lands Tribunal hearings are comprising those appeals and Council Tax appeals.

It is unlikely 2023 appeals will be listed until the spring of 2024.

The next Revaluation is scheduled for 1 April 2026. Value will be based on rents/costs as at April 2025.

Appeals

New appeals may be lodged on the basis of a new proprietor or tenant or if there is a material change of circumstances (building alteration etc) but a Proposal must be lodged within **4 months** of the change.

RAAC (Reinforced Autoclaved Aerated Concrete)

You will be aware of the issue affecting many schools and public buildings concerning RAAC (reinforced concrete) which has led to the closure of a number of sites in England.

In Scotland we believe a successful challenge could be made via a formal Proposal on the basis there has been a 'material change of circumstances' due to buildings being out of use due to safety concerns. It is possible the Assessor would increase the value to the provision of temporary buildings during the works. If this is an issue that affects your property there is the possibility of obtaining rates relief while any building is out of use. If you require any more information on the subject we will be pleased to discuss.

Rates Relief England

The original Covid relief scheme is still in place in England and has been extended for a further year. At the Autumn Statement on 22 November, the UK Chancellor announced a package of support worth £4.3 billion over the next 5 years to support small businesses and the high street.

For 2024/25 the Chancellor announced, that:

- the **small business multiplier** will be frozen at 49.9p
- the **standard multiplier** will be updated in April by September's CPI figure (6.7%), increasing the multiplier from 51.2p to 54.6p
- the 2024/25 **Retail, Hospitality and Leisure (RHL) scheme** will be extended for a fifth year into 2024-25, retaining the existing scope and providing eligible properties with 75% relief, up to a cap of £110,000 per business

These changes will have effect from 1 April 2024.

Local authorities will be expected to use their discretionary relief powers to grant Retail, Hospitality and Leisure relief in line with the relevant eligibility criteria. Authorities will be compensated for the cost of granting these reliefs via a section 31 grant from the government. No new legislation will be required to deliver this scheme.

This is not available in Scotland although the Scottish Government is provided with similar financial support under the Barnett formula. The monies to be applied to Scottish businesses under this financial assistance has not been announced for the 2024/25 financial year.

Rates Relief- Major Concern!

The Scottish Government passed autonomy to each local authority for the application of rates relief as from 1 April 2023. This has already resulted in different approaches by the Aberdeen and Dundee Councils. Other Councils are still to announce their budgets and approach as from 1 April 2024. The principal issue is how relief is applied on Listed Buildings and Land when vacant. In the past this was 100% but is now changing.

We outline below the rates relief currently available and the changes announced for Aberdeen and Dundee. It is likely the majority of Councils will follow one or all of these changes:

Non-domestic (business) properties 2023/24

If non-domestic (business) properties are unoccupied, the Council can grant

- 50% relief of rates for a maximum of 3 months
- 10% relief of rates when properties remain empty longer than 3 months
- Industrial 100% relief for 6 months, then 10% liability

Exemption

Certain categories may be exempt from the 90% property charge. These are:

- properties prohibited by law from occupation

- properties which are under compulsory purchase
- properties with a rateable value of less than £1,700
- properties which are listed buildings or have a preservation order
- properties where the person entitled to possession is a trust for sequestration, liquidation or executors

Aberdeen Council (only) 2023/24

From 01 April 2023, Empty Property Relief has been devolved to local authorities. The following relief is available to all types of properties i.e. industrial, listed buildings and vacant ground, from this date:

- 50% relief for the first 3 months, reducing to 10% for the remainder of the period the property remains empty.

The initial award of 50% relief will be from the date the property became empty, as opposed to the start date of 01 April 2023.

For applications where the property has been empty prior to 01 April 2023, the following relief is available:

- Non-exempt properties (e.g offices, retail & leisure subjects) – empty relief is calculated at 50% of the normal charge for the first 3 months, reducing to 10% for the remainder of the period that the property remains empty.
- Industrial subjects (e.g warehouses and workshops etc) – empty relief is calculated at 100% of the normal charge for the first 6 months, up to 31 March 2023. If 100% relief has been awarded for 92 days, the relief will immediately reduce to 10% at 01 April 2023 otherwise 50% relief will be awarded for the remaining period of the 92 days then reducing to 10% for the remainder of the period that the property remains empty.
- Empty exempt properties (e.g listed buildings, rateable value of less than £1,700, vacant ground) - 100% relief will apply up to 31 March 2023 reducing to 10% from 01 April 2023.

Dundee Council (only) 2024/25

Empty Property Relief Types From 1 April 2024

Description	Relief Scheme 2024/25
Non Industrial	100% relief for 6 months only, full charge thereafter
Industrial	100% relief for 6 months only, full charge thereafter
Listed Building	100% relief for 6 months only, full charge thereafter
RV < £1,700	100% relief for 6 months only, full charge thereafter
Unoccupied land with no buildings	100% relief for 6 months only, full charge thereafter
Rateable occupier is a trustee for sequestration, liquidation or executor	100% relief for 6 months only, full charge thereafter
Occupation prohibited	100% relief – no time limit.

Where properties have already been awarded relief under the 2023/24 local relief scheme these will transfer to the new 2024/25 relief scheme.

eg:

property empty from 1 September 2023	relevant exemption will apply to 31 March 2024, full charge applicable from 1 April 2024
property empty from 1 April 2024	100% relief for 6 months, full charge thereafter

We are monitoring the decisions of other Councils and will advise when announcements made

Scottish Government Budget Statement

The Scottish Government is expected to make a budget statement on the 19th December. This will likely include confirmation of the rate poundages for the 2024/2025 financial year which will form the base for the rates bill next year.

Monies have also been provided via the Barnett formula by the English Chancellor in line with business Rates assistance in England. This included a further extension of the original Covid rates relief which was granted to retail, leisure and hospitality subjects in England. This ended in Scotland in 2022.

Any other relief packages or changes to billing will be announced at that time. We will provide confirmation of the details.

Any Questions?

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