

Guidance Note

Non-Domestic Rates Transitional Relief 2022-23



Qualifying Criteria

The Scottish Government introduced a rates relief scheme to provide non-domestic property used wholly or mainly for one or more specified purposes (listed overleaf) to a rates reduction for Financial Year 2017/18, referred to as 'transitional relief'. This scheme has now been further extended into Financial Year 2022/23

In such cases, transitional relief places a limit on any rates increases resulting from the property revaluation that took effect on 1 April 2017.

The scheme applies a 12.5% limit to the real terms increase in gross bills for each financial year by comparing the current charge with the rating position as at 31 March 2017.

The factor for limiting increases for 2017-18 was 1.1475. This is derived from the 12.5% real terms limit and a further 2.0% to represent inflation; i.e. $1.125 \times 1.02 = 1.1475$.

- ✓ The factor for limiting increases for 2018-19 was 1.329.
- ✓ The factor for limiting increases for 2019-20 was 1.527
- ✓ The factor for limiting increases for 2020-21 was 1.747
- ✓ The factor for limiting increases for 2021-22 was 1.965
- ✓ **The factor for limiting increases for 2022-23 is 2.247**

To be eligible for relief under these Regulations, a property must on the day in question be wholly or mainly used for a purpose (or purposes) specified in the schedule to the regulations, and must also have been so used as at 31st March 2017 (or, if unoccupied on that date, so used when last occupied).

The gross bill for these purposes is the rateable value (RV) multiplied by the non-domestic rate poundage plus, where applicable, the large business supplement.

Application process

The relief is not automatically awarded and must be applied for online at www.pkc.gov.uk

Relief under this scheme is limited under UK subsidy control (formerly EU de minimis State Aid) rules and details of any funding subject to such controls must be declared on the application form.

For further information please contact Local Taxes on (01738) 477430 option 2, by e-mail to localtaxes@pkc.gov.uk or visit www.pkc.gov.uk/nondomesticrates

ANNEX – SPECIFIED PURPOSES

Class 1 Bed and breakfast accommodation

- Use as bed and breakfast accommodation.

Class 2 Camping site

- Use as a camping site.

Class 3 Caravan

- Use as a caravan (within the meaning of Part 1 of the Caravan Sites and Control of Development Act 1960).

Class 4 Caravan site

- Use as a caravan site (within the meaning of Part 1 of the Caravan Sites and Control of Development Act 1960).

Class 5 Chalet and holiday hut

- Use as a chalet or holiday hut.

Class 6 Guest house, hotel and hostels

- Use as a guest house, hotel or hostel, where no significant element of care is provided.

Class 7 Public house

- Use as a public house or nightclub where the following conditions are satisfied—
 - (i) a premises licence authorising the sale of alcohol for consumption both on and off the premises, has been issued by a licensing board under section 26 of the Licensing (Scotland) Act 2005;
 - (ii) the premises are used for such sales to members of the public, principally for consumption on the premises, in accordance with the operating plan contained in the premises licence; and
 - (iii) the operating plan contained in the premises licence does not include any provision that such sales are made subject to those members of the public residing at, or consuming food on, the premises.

Class 8 Restaurants

- Use for the sale of food or refreshments to members of the public for consumption on those premises, including any café, coffee shop, bistro, fast food restaurant or snack bar that is so used.

Class 9 Renewable energy generation (applicable to Financial Year 2017/18 only)

- Use for the generation of renewable heat or power (or both) from water (including waves and tides but excluding production from the pumped storage of water) having a total installed capacity of up to 1 megawatt.

Class 10 Self-catering holiday accommodation

- Use as self-catering holiday accommodation.

Class 11 Timeshare accommodation

- Use as timeshare accommodation.

Class 12 Offices

- Use as offices where the property is situated in the following local authority areas—
 - (i) City of Aberdeen;
 - (ii) Aberdeenshire.