

Non-Domestic Rates

Relief Policy (2021 – 2026)

Dumfries and Galloway Council**Document Control**

Prepared by: Helen Drinkwater
Approved by

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Dumfries and Galloway Council

Introduction

There are several reliefs available for certain types of property under Scottish law, that can be claimed by Non-Domestic (Business Rates) payers. These fall into two categories, **Mandatory Relief** where the criteria is set nationally and there is no cost to the Local Authority; and **Discretionary Relief** where Local Authorities have certain discretion on criteria. Only a percentage (typically 75%) of the costs of Discretionary Relief granted is met by the government. The balance of the relief (typically 25%) is met by the Local Authority, i.e. the Council Taxpayers.

This document sets out the criteria for awarding all relief and the policy of Dumfries and Galloway Council with regards to Discretionary Reliefs.

Mandatory Relief

Dumfries and Galloway Council

1. Charitable Relief

1.1 Background

Registered Charities or Trustees for a charity that use 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.

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:

- The property must be occupied by a charity or a trustee of a charity listed on a register maintained by the Office of the Scottish Charity Regulator (OSCR).
- 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.
- The Council will determine whether occupation is wholly or mainly for charitable purposes. A trading arm of a charity, which is itself a separate entity that is not a charity, may not be eligible for mandatory relief.
- Entitlement is reviewed periodically, and on any change of occupation and/or use, relief may be curtailed.
- For charity shops to be eligible, their use must be wholly or mainly used for the sale of goods donated to the charity. To inform this consideration the relative proportion of new and donated goods sold on the premises should be requested from the ratepayer. Officers should be satisfied that goods which are not donated are less than 50% of the stock 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: Application forms are available from the Council Website or alternatively a form can be requested by contacting Revenue Services. The applicant must submit all relevant information detailed below) along with the application form in order for the council to enable the council to make a determination.

- 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. Where the council already hold this information, this will not be required.
- The Council may also require ratepayers to provide any other information it sees as reasonable when considering an application for relief.

Dumfries and Galloway Council

2. Rural Rates Relief

2.1 Background

The key legislation is the Non-Domestic Rating (Rural Areas and Rateable Value Limits) (Scotland) Order 2005 and Schedule 2 to the Local Government and Rating Act 1997 as well as the Non-Domestic (Rural Areas) (Scotland) Regulations 2017. This legislation 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 and or Discretionary relief of rates.

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

- Population is not more than 3,000, AND
- 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. 100% Rural Rates Relief 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

Mandatory Relief of 100% is given to all eligible businesses in rural settlement areas providing that they are the only such business of that type in the settlement area.

The types of business that may qualify for this relief are:

Type of Business	Maximum Rateable Value
Village Shops	£8,500
Post Offices	£8,500
Small Food Stores	£8,500
Filling Stations	£12,750
Hotels	£12,750
Public House	£12,750

2.4 Application Process

An application form can be downloaded from the Council Website or alternatively a form can be requested by contacting Revenues Services. The applicant must submit all relevant information along with the application form in order for the council to make a determination.

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3. Empty Property Relief

3.1 Background

Section 24 to 25 of the Local Government (Scotland) Act 1996, the Non-Domestic Rating (Unoccupied Property) (Scotland) Regulations 1994, and the Non-Domestic Rating (Unoccupied Property) (Scotland) Regulations 2018 provides relief for premises that are completely unoccupied.

3.2 Council Policy

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

From 1st April 2016, Unoccupied business property can apply for a reduction as follows: -

Occupancy conditions and periods	Relief percentage
Vacant property not in use (first 3 months)	50%
Vacant property not in use (after 3 months)	10%
Vacant property last used in an industrial nature (first 6 months)	100%
Vacant property last used in an industrial nature (after 6 months)	10%

Categories of property indefinitely exempt from the vacant charge:

- properties with a rateable value less than £1,700
- properties subject to a preservation notice
- lands and heritages which are kept vacant by reasons or actions taken by the Crown or Local Authority

From 1st April 2020 the period of occupation between 2 claims for unoccupied property relief will be increased from 6 weeks to 6 months. In effect, for the purposes of calculating empty property relief entitlement, a property is treated as if it had been unoccupied during any period of occupation that ended within six calendar months of when it started. Relief is granted to the property and not each individual applicant.

3.4 Application Process

An application form can be downloaded from the Council Website or alternatively a form can be requested by contacting Revenues Services. The applicant must submit all relevant information along with the application form in order for the council to make a determination.

Dumfries and Galloway Council

4. Disabled Persons Relief

4.1 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.

4.2 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.

4.3 Eligibility

Relief of non-domestic rates can be granted for an organisation that provides training, welfare or care for disabled persons. 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 or aftercare of disabled persons or people suffering from an illness
- Provision of training or activity facilities for disabled persons or persons suffering illness
- Provision of welfare services for disabled persons
- Provision of employment or work facilities for disabled persons
- 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.

4.4 Application Process

An application form can be downloaded from the Council Website or alternatively a form can be requested by contacting Revenues Services. The applicant must submit all relevant information along with the application form in order for the council to make a determination. This would include details of the type and number of residents and a floor plan.

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5. Small Business Bonus Scheme

5.1 Background

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

The Small Business Bonus Scheme provides a discount of between 25 and 100 per cent on bills for eligible business properties with a cumulative rateable value of £35,000 or less subject to availability.

5.2 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.

5.3 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 relief schemes

Rateable Value of Property	Percentage of Relief
Up to £15,000	100%
From £15,001 to £18,000	25%
From £18,001 to £35,000	25% on each individual property with an RV of £18,000 or less

From 1st April 2020 this relief can only be awarded to properties that are occupied. If the property is vacant the ratepayer must apply for empty property relief instead.

5.4 Application Process

The Small Business Bonus is an application-based scheme; businesses are required to apply to each local authority area in which the business has a property. Application forms can be downloaded from the council website or alternatively by contacting Revenues Services and making an application verbally over the telephone. All business premises which the business occupies or is entitled to occupy must be declared on the application form and will be considered when determining the level of relief to be applied. Where the relief is to be backdated to a prior financial year, a separate application will be required.

Dumfries and Galloway Council

6. Community Amateur Sports Clubs

6.1 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 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 at the moment this does not apply to all types of donations.
- CASC's are exempt from Corporation Tax on profits derived from trading activities if their trading income is under £30,000 pa.
- Profits derived from property income are also exempt for CASC's if gross property income is under £20,000pa, of particular relevance following the abolition of the nil band rate.
- CASC's whose income does not exceed these thresholds will no longer be required to complete an annual Corporation Tax return.

6.2 Council Policy

The Council is obliged to grant relief to premises which fall within the Community Amateur Sports Club 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. The Council does not award a 20% top up of Discretionary Rates Relief.

6.3 Eligibility

The club requires to be registered with HM Revenues and 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.

6.4 Application Process

An application form can be downloaded from the Council Website or alternatively a form can be requested by contacting Revenues Services. The applicant must submit all relevant information along with the application form in order for the council to make a determination.

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7. Renewable Energy Relief

7.1 Background

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

- Biomass
- Biofuels
- Fuel Cells
- Photovoltaics
- Water (including waves and tides but not production from pumped storage)
- Wind
- Solar Power
- Geothermal sources

The amount of relief depends on the total rateable value of the property/properties

Combined rateable value of all business properties in Scotland	Relief
Up to £145,000	100%
From £145,000 to £430,000	50%
From £430,001 to £860,000	25%
From £860,001 to £4,000,000	10%
Greater than £4,000,000	2.5%

7.2 Hydro Energy Relief

A new relief for hydro schemes came into force on 1st April 2018. 60% relief may be awarded but cannot be awarded along with renewable energy relief.

To qualify:

- Lands and heritages are solely used for the generation of renewable energy from water (this includes waves and tides but excludes production from the pumped storage of water)
- The rateable value is under £5 million

State aid de minimus rules also apply

7.3 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.

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7.4 Eligibility

We need to consider six criteria for each business when assessing eligibility for Renewable Energy Generation relief,

- Whether the business is solely concerned with the generation of heat or power by the means listed above.
- Whether the property currently receives any other relief (state aid limits apply)
- If the business receives any other public sector assistance
- 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.
- If, in return for investment within the project by a community organisation, they will be given entitlement equivalent to:
 - At least 15% of the annual profit of the project
 - Annual profit attributable to 0.5 megawatt of the total installed capacity of the project

7.5 Application Process

An application form can be downloaded from the Council Website or alternatively a form can be requested by contacting Revenues Services. The applicant must submit all relevant information along with the application form in order for the council to make a determination.

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8. Fresh Start Relief

8.1 Background

Business Rates Relief is available for new occupation of a previously unoccupied property through the Fresh Start Scheme. From 1st April 2018 the scheme has been extended to include any type of property (except those used for payday lending) that has been continuously unoccupied for a period of 6 months.

Relief is granted at 100% for a period of 12 months.

8.2 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 all applications that meet the eligibility criteria specified below and fulfil all the requirements of the application process. From 1st April 2021, the rateable value upper threshold in order to qualify for fresh start relief increases from 65,000 to 95,000.

8.3 Eligibility

You can qualify if:

- the property has previously been in receipt of empty property relief for a continuous period of at least 6 months immediately prior to the applicant's occupation.
- the property has a rateable value of under £95,000; and
- the property is not used for pay day lending

Fresh start cannot be awarded alongside other rates relief to the same property. However, if one of several properties with the same occupier is eligible for Fresh Start, then the others may be eligible for different rates reliefs.

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

As the activity is commercial in nature and the recipients receive an advantage on a selective basis due the sectoral restrictions that apply, State aid is deemed to be present and accordingly the relief can only be awarded as *de minimus*.

8.4 Application Process

An application form can be downloaded from the Council Website or alternatively a form can be requested by contacting Revenues Services. The applicant must submit all relevant information along with the application form in order for the council to make a determination.

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9. Transitional Relief

9.1 Background

Business rates relief (known as transitional relief) was introduced to limit rates bill increases to 12.5% (in real terms) following the most recent revaluation which took effect from 1st April 2017. The relief has since been extended into 2021/22.

9.2 Council Policy

The Council is obliged to grant relief to premises which meet the Eligibility criteria specified below and fulfil all the requirements of the application process.

9.3 Eligibility

Relief is only applicable to those properties which are used wholly or mainly for certain specified purposes. The details of these categories are listed below: -

- bed and breakfast accommodation
- camping site
- caravan
- caravan site
- chalet or holiday hut
- guest house, hotel or hostel
- public house
- restaurants
- self - catering holiday accommodation
- timeshare accommodation

9.4 Application Process

An application form is required, to enable the Council to consider the State Aid position and apply for relief accordingly. An application for Transitional Relief in 2021/22 must be made in 2021/22. From 1st April 2019, an application can no longer be backdated.

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10. Day Nurseries

10.1 Background

100% Day Nursery Relief can be awarded for all standalone nurseries in the public, private and charitable sectors. This relief has been extended to 30th June 2023.

10.2 Council Policy

The Council is obliged to grant relief to premises which 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.

This relief is considered de-minimus aid in terms of EU State Aid rules.

10.4 Application Process

An application form can be downloaded from the Council Website or alternatively a form can be requested by contacting Revenues Services. The applicant must submit all relevant information along with the application form in order to make a determination.

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11. Business Growth Accelerator (BGA) Relief

11.1 Background

The key legislation is the Non-Domestic Rates (Levying and Miscellaneous Amendments) (Scotland) Regulations 2021. From 1st April the Business Growth Accelerator Relief (also known as New and Improved Properties) may be available to ratepayers of new build property and to those expanding or making improvements to an existing property.

11.2 Council Policy

The Council is obliged to grant relief to premises which meet the Eligibility criteria specified below and fulfil all the requirements of the application process.

11.3 New Build Properties

From 1st April 2021, unoccupied new build premises that are entered onto the Valuation Roll will be able to claim Business Growth Accelerator Relief for up to three years.

11.4 Expanded or Improved Properties

Where premises are expanded or improved, and the rateable value increases as a result of this ratepayers will not pay this increase for 12 months.

11.5 Eligibility

Where a property is being built, expanded, or improved the ratepayer (or tenant) may be eligible for Business Growth Accelerator Relief.

11.6 Application Process

From 1.4.21 the Assessor will place an indicator on the valuation roll for Business Growth Accelerator relief. An application will then be issued by Revenues Services to the ratepayer to formally apply for relief.

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12. Empty Property Relief for Shooting Rights/deer forests

12.1 Background

Empty property relief of 100% can be granted on shooting rights and deer forests where there are no buildings on the land and no commercial or stalking takes place.

12.2 Council Policy

The Council is obliged to grant relief to premises which meet the Eligibility criteria specified below and fulfil all the requirements of the application process.

12.3 Eligibility

Ratepayers can apply if the property they pay rates for meets the following criteria:

- Culling deer as part of the land management programme is acceptable as long as no one pays to be allowed to do so.
- Taking paying guests out to shoot deer as part of a cull is regarded as commercial shooting/stalking and no relief will apply.
- Letting shooting rights for vermin control to third parties for payment is regarded as commercial shooting and no relief will apply.
- Where there is a building on the land the 100% relief cannot apply. This includes deer larders.

12.4 Application Process

An application form can be downloaded from the Council Website or alternatively a form can be requested by contacting Revenues Services. A separate application form is required for each property. The applicant must submit all relevant information along with the application form in order to make a determination.

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13. Telecommunications new fibre infrastructure

13.1 Background

From 1st April 2019, 100% relief is available from business rates to any provider of new fibre infrastructure for telecommunication. This relief is available for a period of 10 years from 1st April 2019 to 31st March 2029.

13.2 Council Policy

The Council is obliged to grant relief to premises which meet the Eligibility criteria specified below and fulfil all the requirements of the application process.

13.3 Eligibility

In order to qualify for this relief, Ratepayers must meet the criteria under the legislation. The Non-Domestic Rates (Telecommunications New Fibre infrastructure) (Scotland) Order 2019:

Telecommunications new fibre infrastructure is:

- 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, and
- 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 April 2019.
- Is not “new” if it replaces existing fibre, unless it upgrades what was previously provided.

13.4 Application Process

An application form can be downloaded from the Council Website or alternatively a form can be requested by contacting Revenues Services. The applicant must submit all relevant information along with the application form in order to make a determination.

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14. Reverse Vending Machine Relief

14.1 Background

From 1st April 2020, 100% Relief is available for sites wholly or mainly used to provide Reverse Vending Machines (RVMs).

14.2 Council Policy

The Council is obliged to grant relief to premises which meet the Eligibility criteria specified below and fulfil all the requirements of the application process.

14.3 Eligibility

In order to qualify for this relief, Ratepayers must meet the criteria under the legislation. The Non-Domestic Rates (Reverse Vending Machine Relief) (Scotland) Regulations 2020:

The purpose of these Regulations is to provide for a 100% non-domestic rates relief from 1 April 2020 for sites wholly or mainly used to provide Reverse Vending Machines (RVMs), defined as a 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. Relevant containers are defined as sealed containers designed for a single use supply of a drink to a consumer, the supply of which includes a refundable deposit.

14.4 Application Process

An application form can be downloaded from the Council Website or alternatively a form can be requested by contacting Revenues Services. The applicant must submit all relevant information along with the application form in order for the council to make a determination.

Discretionary Relief

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Background

The power to grant Discretionary Rating Relief is governed by the provisions of the local Government (Financial Provisions Etc) (Scotland) Act 1962, as amended.

Under the terms of the 1962 Act a Rating Authority may grant Discretionary Rate Relief in respect of:

- Any lands and heritages which are occupied by, or by trustees for, a charity and are wholly or mainly used for charitable purposes (whether of that charity or of that and other charities).
- Any lands and heritages occupied for the purposes of one or more institutions or other organisations (whether corporate or unincorporated) which are not established or conducted for profit and whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, Science, literature or the fine arts.
- Any lands and heritages occupied for the proposes of a club, society or other organisation not established or conducted for profit, and which are wholly or mainly used for the purposes of recreation.

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15. Charitable/Non-Profit-Making Organisations

15.1 Background

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 in specific circumstances.

15.2 Council Policy

Discretionary Relief can be awarded to top up the relief awarded to organisations, including Social Enterprises and Inspired Community Enterprise Trusts who already qualify for 80% mandatory Charitable relief to top up relief to 100%, or award the full 100% relief where the qualifying criteria is met, as follows:

- The organisation is entitled/or could be entitled to mandatory Charitable Relief.
- The premises are used for the benefit to residents in the area.
- The use of the premises relieves the Council from providing similar facilities.
- The organisation provides special facilities to certain priority groups such as elderly, disabled, minority group, disadvantaged groups?

15.3 Eligibility

The following conditions must be met to be eligible for Discretionary Relief:-

- The premises must not be used for commercial purposes e.g. café, car boot sales etc. where proceeds from the operation represent a significant proportion of the organisation’s total turnover from the premises.
- 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.

100% Relief is applied for 2 years, and then will be subject to review and evidence that the organisation continues to meet the qualifying conditions.

15.4 Application process

An application form is available from the Council Website or alternatively a form can be requested by contacting Revenue Services. The applicant must submit all relevant information (see below) along with the application form in order to make a determination:

- A copy of the organisation’s constitution or articles and Memorandum of Association of the organisation.
- A copy of the latest audited account, in respect of the property for which relief is being applied. In the case of a new organisation, 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. If the organisation is registered with OSCR we do not require the letter from the Inland Revenue

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- The Council may also require ratepayers to provide any other information it sees as reasonable when considering an application for relief.

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16. Sports Clubs

16.1 Background

Section 4(5) © 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. This typically applies to golf clubs, bowling clubs etc.

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%.

16.2 Council Policy

Under this policy the Council grant relief to premises which fall within the definition which was drafted by the Scottish Sports Association in consultation with the Sport Council.

“Land and Heritages occupied exclusively or principally for athletic or sporting purposes by a Members Club, Association or Company operated on a non-commercial basis where no profits are distributed in any way other than for the benefit of the members and where the sale or supply of alcohol or liquor is merely a social adjunct to the said principal athletic or sporting purposes; and the income derived from such sale or supply is used solely for the said purpose”.

100% Sports Relief will be awarded in respect of applications from licensed and unlicensed sports clubs that fall within the definition above and meet the eligibility criteria specified below and fulfil all the requirements of the application process.

16.3 Eligibility

Community Amateur Sports Clubs qualify for mandatory relief but do not meet the eligibility criteria for an additional 20% top-up discretionary relief.

Where sports clubs do not meet the Community Amateur Sport Club 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 the club, society or other organisation not established or conducted for profit. The following criteria must also be met.

- Membership is not unduly restricted and available to the general public. Where a membership exists for an organisation, it should be open to all sections of the community and subscriptions should not be set at a high level to exclude the general community. Membership should also be actively encouraged from particular groups e.g. young people, older age groups, people with disabilities, etc .
- Facilities should not be unduly restricted and be available to the general public including e.g schools, open public sessions, training or education sessions for young people, the disabled and retired people.

The organisation is affiliated where appropriate to a local or national organisation e.g. local sports or national representative body.

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- Consideration should also be given to whether the facilities provide either a valuable service to the community or facilities which indirectly relieves the Authority of the need to do so.
- The premises are **not** used for commercial activities

16.4 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. An application form can be downloaded from the Council Website or alternatively a form can be requested by contacting Revenue Services

Recreational Sports Clubs – Licenced

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. Application forms are available from the Council Website or alternatively a form can be requested by contacting Revenues Services.

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17. Hardship Relief

17.1 Background

Hardship relief can be awarded under Section 156 of the Local Government etc. (Scotland) Act 1994). The Local Authority would need to consider the following: -

- are the circumstances exceptional?
- Do the circumstances mean the applicant will suffer hardship?
- Does the business have a viable business plan, so they remain a viable business going forward?
- Is it fair to other businesses in the Council Area?
- Is it reasonable and of benefit for Council Taxpayers to meet the cost of relief (25%)?

17.2 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. Hardship provisions have only been used once within Dumfries and Galloway and this was when support measures were put in place to assist businesses most affected by the Foot and Mouth outbreak. One of the measures was a rates relief scheme for businesses that were able to demonstrate that they had been adversely affected by Foot and Mouth Disease.

17.3 Eligibility

On application by a ratepayer, the Council may award hardship relief where they are satisfied that the ratepayer would otherwise suffer hardship and that the interests of council taxpayers in the Dumfries & Galloway Council area would be best served by awarding relief.

In considering whether the interests of council taxpayers are being best served, Revenues Services 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, Revenues Services 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 arrear's repayments.

17.4 Application Process

In order to make an application for Hardship Relief a letter must be submitted with supporting evidence as detailed below: -

- 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
- A copy of the last three years 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 future 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
- Details of the number of employees they employ locally

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- A statement outlining how an award of rates relief would serve the interests of Council Taxpayers in the Dumfries & Galloway Council area
- A statement outlining the impact on the business should rates relief not be awarded

17.5 Period of Award

Hardship Relief is normally only considered as short-term help and we would apply relief for a maximum period of between 6 to 12 months. A new application would be required if the applicant feels that relief should be awarded in subsequent years.

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18. Short Term Part Empty Relief

18.1 Background

Under S.155 of the Local Government Finance Etc Act 1994, S.24 of the 1966 Act has been amended such that rating authorities have discretion to afford relief of rates in respect of properties partly occupied for a short time only.

This relief is affected by the authority requesting the Assessor to apportion the rateable value between the occupied and unoccupied parts.

The value so apportioned to the occupied part is treated as if it were the rateable value of the property in the valuation roll; relief is effectively given to the extent of rates payable according to the rateable value apportioned to the unoccupied part.

18.2 Council Policy

The relief commences from the later of the date upon which the property became partly occupied or the beginning of the financial year in which the authority requested the Assessor to apportion the rateable value and continues until the earliest of the following events:-

- 1 that relief only be granted to those subjects which are, or were previously used as an industrial property;
- 2 that all claims be for a period in excess of 1 month but not more than 6 months;
- 3 that only one claim be accepted in respect of a subject or part thereof, in each financial year;
- 4 that all applications for relief be submitted within 1 month of that part of the property became unoccupied to which the application relates and no relief be granted in respect of any period prior to the day of application;
- 5 that where relief was claimed, all applications be supported by a plan showing the areas involved.

18.3 Application Process

An application form can be downloaded from the Council Website or alternatively a form can be requested by contacting Revenues Services. The applicant must submit a floor plan of the area in question that is empty.

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19. Rural Rates Relief

19.1 Background

The key legislation is the Non-Domestic Rating (Rural Areas and Rateable Value Limits) (Scotland) Order 2005 and Schedule 2 to the Local Government and Rating Act 1997 as well as the Non-Domestic (Rural Areas) (Scotland) Regulations 2017. This legislation 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 are entitled to mandatory 100% 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 the purposes that are beneficial to the community.

Local Authorities have a Rural Settlement List, which includes areas where:

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

19.2 Council Policy

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.

19.3 Eligibility

After consultation with rural businesses, members also agreed to award 100% Rural Discretionary Rates Relief to certain types of property. These are detailed below: -

- Relief to all other (rural) post offices and general stores
- Relief to all (rural) filling stations
- Relief to the petrol sales element (only) of other rural businesses
- Schools, libraries, public conveniences and public halls

19.4 Application Process

An application form can be downloaded from the Council Website or alternatively a form can be requested by contacting Revenues Services. The applicant must submit all relevant information along with the application form in order to make a determination.

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Application of Policy

20. Appeals

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 Team Leader.

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 by a Senior Officer in the light of any additional points that the ratepayer wishes to make. Requests for a review of a decision should be made in writing to the Revenues Team Leader.

21. 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 the relief can only be granted from the start of that year.

22. Review Period

The award period for new and renewal applications will be for a period no longer than two years.

23. Financial Implications

In respect of Mandatory Reliefs, Sports Club Relief and Short-Term Part Empty Relief there are no financial implications for the Council as 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. Based on premises with Non-Domestic Rates discretionary relief in 2021/22 the current costs of these reliefs is as follows:-

Discretionary Relief Type	No of Awards	Value of Relief	Cost to Council (25%)
Charitable Relief 20% top up	166	£207,803	£51,951
Charitable Relief 100%	22	£142,652	£35,663
Rural Rates Relief 100%	66	£196,894	£49,224
Sports Relief 100%	104	£336,458	£84,114
Total	358	£883,807	£220,952

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24. Review of Policy

This is a 5-year Policy and will be updated with any legislative changes during that time, any changes to the discretionary policy will be brought back to elected members for decision at the end of the 5 years.