

COVID-19 BUSINESS RATES UPDATE

The Covid-19 outbreak has resulted in unprecedented and ongoing challenges for businesses across Scotland. FG Burnett can support clients during this difficult time and our specialist rating team has provided the following information and advice to assist businesses and reduce the rating burden as far as possible

Rates Reliefs: Scotland

In response to expanded rates relief and support measures announced for England on 20 March 2020, Scotland announced its own rates reliefs package and support in response to Covid-19. This is now an Act of Parliament, The Non-Domestic Rates (Coronavirus Reliefs) (Scotland) Regulations 2020, summarised as follows:

1. All non-domestic properties in Scotland will receive a 1.6% reduction to their 2020-21 rates bill, which effectively reverses the planned increase to the rates poundage (this will be applied automatically).
2. 100% rates relief for retail, leisure and hospitality subjects from 1 April 2020 until 31 March 2021. This will be applied automatically in the vast majority of cases, however, we anticipate a number of cases where this may not be the case e.g. properties used for a number of purposes, where “mainly or exclusively” may be missed. This relief is also subject to State Aid rules so you may not receive the full relief. FG Burnett can assist you to ensure your business receives the right relief.
3. Business support grant of £10,000 is available if on 17 March 2020 your property was occupied and in receipt of the Small Business Bonus Scheme (SBBS), Rural Relief, or eligible for the SBBS but in receipt of Nursery or Disabled Relief (note this is a one-off grant, not available on all properties). Application deadline 31 March 2021.
4. Business support grant of £25,000 is available if on 17 March 2020 your property was occupied and is a business in the retail, leisure or hospitality sectors with a rateable value of £18,001 up to £50,999 (all as at 17 March 2020). Application deadline 31 March 2021.

5. 100% rates relief to all Scottish airports from 1 April 2020 until 31 March 2021, including all organisations providing “handling services” for scheduled passenger flights.

COVID-19 - HOW WE CAN HELP

As well as relief support, it is our opinion that the Covid-19 outbreak constitutes a material change of circumstances in terms of the appeal regulations – it is an “extraordinary” event. We strongly recommend submitting a material change of circumstance appeal in respect of all properties in Scotland as soon as possible to fully protect your interests. Even if you are eligible for 100% relief, if this is subject to State Aid rules, then you could lose out. If relief is not available to your business then a reduction in rateable value will at least provide some relief from the burden of rates payment. We can provide this service on your behalf and negotiate the appeal with the relevant Assessor.

Please contact our Head of Rating, Richard Foster, if you have any queries regarding business rates or you wish to discuss any of the above.

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