

Your Business Rates 2014/15

A guide to business
(non domestic) rates



Note: This document is intended as a guide only. It does not provide advice or represent a statement of law. It is believed to be accurate and is provided by way of assistance to users only.

Introduction

Business rates (also called non-domestic rates) are taxes on business property to help pay for local council services.

This guide has been prepared by Enterprise, Planning & Protective Services, Fife Council with information from both the Fife Assessor and Fife Council. It is intended to help businesses better understand how their business rates are calculated – a property’s rateable value, the Valuation Roll, the reliefs or discounts schemes available, and ways to pay.

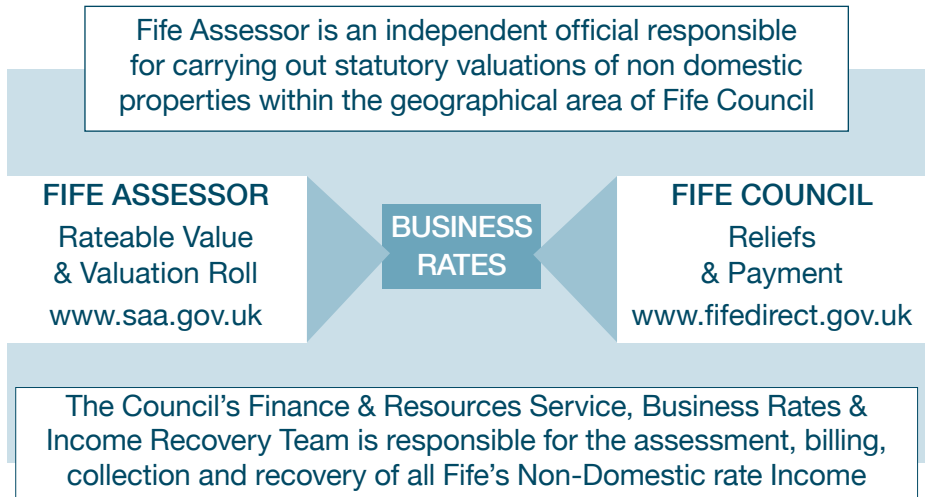
The information is the best available at the date this guide is prepared.

Business owners and managers are encouraged to visit the Scottish Assessors’ website www.Saa.gov.uk for interactive tools and information on rateable values and the valuation roll.

Fife Council’s website www.fifedirect.gov.uk has the most up to date information on reliefs and payment processes for business rates.

The Scottish Government has developed a new website for businesses with up-to- date information about business rates at www.business.scotland.gov.uk/view/guide/business-rates-the-basics.

The following diagram outlines the roles and websites for the council and the Fife Assessor.



Section 1: The Valuation Roll

Who are the Scottish Assessors?

There are 14 Assessors in Scotland, each one responsible for a specific region or valuation area. The Assessor is a statutory official, independent of both local and central government, who is responsible for the valuation of both domestic and non-domestic properties within his/her area. Information on rateable values of non-domestic properties across Scotland can be found online at the Scottish Assessors Association Portal www.saa.gov.uk

Who is the local assessor for Fife?

The Fife Assessor, who is located at Kingdom House, Kingdom Avenue, Glenrothes, KY7 5LY is legally responsible for compiling and maintaining the Valuation Roll for all non-domestic property within the area of Fife Council.

What is the Valuation Roll?

The Valuation Roll is a public document that contains an entry for all non-domestic properties in Fife, except those specifically excluded by rating law. The Assessor sets the rateable values for each entry listed on the Valuation Roll. The rateable value forms the basis of the calculation for business rates.

What about properties used for both domestic and business purposes?

In some cases, properties may be used for both domestic and non-domestic use (for example a Guest House). The Fife Assessor determines if properties are non-domestic or domestic and whether or not they are included in Valuation Roll or the Council Tax Valuation List. In some circumstances, parts of what may be considered to be a single property can appear separately on the Valuation Roll and Council Tax Valuation List.

The Valuation Roll for Fife can be seen at the Fife Assessor's office. Contact the Fife Assessor if you have any queries about the Valuation Roll or the rateable value of your business premises.

e-mail: fife.assessor@fife.gov.uk | **telephone:** 03451 55 55 33

post: Fife Assessor, Kingdom House,
Kingdom Avenue, Glenrothes, KY7 5LY

Section 2: Rateable Value

What is rateable value?

The Fife Assessor gives all non-domestic property in Fife a rateable value, which is a legally defined rental valuation of the property.

The rateable value is based on the property's estimated open market rental value on a specific date. If you alter your property or change its use then this may change its rateable value (and the amount you pay in rates).

How do I find out my rateable value?

- The Fife Assessor will write to notify you of a new or amended rateable value, or
- The search facility at **www.saa.gov.uk** provides details of rateable values for all non-domestic properties in Scotland, or
- Contact the Fife Assessor.

What evidence does the Fife Assessor consider to determine a rateable value?

The Fife Assessor compares a range of property information to ensure that rateable valuations are accurate, consistent and reflect the individual characteristics of each property. Further information, which will help explain how the rateable value for your property has been set, can be accessed via the Scottish Assessors Association website at **www.saa.gov.uk**

How can I find out rateable values for other properties?

If you want to compare the valuation of your property with others, you can inspect the Valuation Roll for Fife. The Valuation Roll can be seen at the Fife Assessor's office; rateable values of non-domestic properties across Scotland can also be found online at the Scottish Assessors Association Portal - **www.saa.gov.uk**

If you are considering moving to different premises or carrying out alterations, contact the Fife Assessor about the effect on the rateable value. This will assist in making sure that you can afford the rates before you commit.

Do I need to pay business rates if I work from home?

If you work from home, you may have to pay business rates on the part of your property that you use for your business. It depends on the degree of business use and whether the Fife Assessor has given a rateable value to a part of your home.

You are more likely to have to pay business rates if a room is used exclusively for business, or has been modified (e.g. as a workshop). Each case is considered individually. You will still have to pay Council Tax on the rest of your home.

Renting out part or your entire home to domestic tenants is not normally considered business use. Contact the Fife Assessor if you are not sure if you should be on the Valuation Roll or the Council Tax Valuation List.

What happens if I make changes to my business or premises?

Your rateable value could change if:

- you move or make a **material** change to your premises
- the nature of your business changes.

Prompt reporting of any alterations to your property to the Fife Assessor will assist in Valuation Roll amendments being processed as quickly as possible.

What is a Material Change to my rateable value?

A material change can alter (both increase or decrease) your property's rateable value. These can include:

- physical changes to your property
- changes to how the property is used
- changes to the locality where the property is situated.

How can I find out the rateable value for a different property if I am moving to new premises?

Valuation Roll entries for the whole of Fife can be found at www.saa.gov.uk or by contacting the Fife Assessor.

You can also use the Scottish Government's online business rates calculator www.business.scotland.gov.uk/calculator to estimate your new business rates.

What do I do if I have surplus space and want to reduce the size of my business property?

Your first step is to take professional advice on the options available to you. If you have draft proposals, let the Assessor know your intentions for an informal consideration of your plans and to obtain an estimate of their impact on the rateable value. Do not assume that the existing rateable value will still apply to the property.

Business Gateway Fife can help you with financial planning and sourcing finance for the cost of potential capital investment to your premises. Their contact details are in Section 5 of this booklet.

I have received a form from my local Assessor asking lots of questions about my property - what is this?

The Fife Assessor may send you an information form to fill in. The Assessor uses the information you give on this form to help maintain the Valuation Roll. The Fife Assessor can send you a form at any time, but is most likely to send you one during the run-up to a revaluation.

By law, if you receive a form, you must fill it in and return it to the Assessor. If you do not, you may incur a penalty. The information you give the Assessor on the form will help to make sure that the valuation of your property, and other similar properties, is accurate. This may avoid the need to appeal later on.

What professional advice is available?

You can get help from professional organisations that can put you in touch with a qualified rating surveyor:

- Royal Institution of Chartered Surveyors (RICS)
- Institute of Revenues, Rating and Valuation (IRRV)
- Rating Surveyors Association.

You may be charged for any advice you get from a rating surveyor right from the start. You can call the RICS enquiry line on 0870 333 1600 for advice from a local chartered surveyor or they can be contacted by email at: contactrics@rics.org.

Can I appeal against my rateable value?

The first step is to contact the Fife Assessor informally to discuss your valuation. The Assessor will be happy to explain how the rateable value for your property was calculated.

You can submit an appeal online, at the Scottish Assessors Association Portal www.saa.gov.uk, or in writing, or by email to the Fife Assessor. There is no fee for lodging an appeal, but you may have to pay the costs of any professional adviser you decide to use such as a rating agent.

What are the deadlines for submitting an appeal?

There are statutory time limits for submitting an appeal. For example, **new owners, tenants or occupiers have six months** from when they acquired their interest in the property to lodge an appeal.

Further information on the appeal process can be found at www.saa.gov.uk or by contacting the Fife Assessor.

When are the rateable values reviewed?

Rateable values are reviewed regularly to reflect changes in the property market - this is called a Revaluation. The most recent Revaluation in Scotland became effective on 1 April 2010 and was based on the valuation levels at 1st April 2008.

The next Revaluation will come into effect on 1 April 2017. The rateable value of your property may rise, fall, or remain the same depending on valuation evidence. Your property's rateable value in April 2017 will be based on value levels at 1 April 2015.

At a Revaluation, it is important to provide the Fife Assessor with any information requested. If you do not do this, your rateable value (and bill) might be incorrect.

Section 3: Reliefs

What relief schemes are available to me? How do I qualify for these?


The amount you will pay may be reduced if you are entitled to business rates relief. In some cases, you may not need to pay anything. Reliefs only apply to your business rates bill and won't reduce your rent, water charges or other bills.

What is the Small Business Bonus Scheme (SBBS)?

From 1 April 2014, the SBBS will continue to offer the same levels of relief to Scottish business as in 2013-14. The scheme will provide relief to businesses with properties in Scotland with a combined rateable of £18,000 or less.

The Scheme provides the following reliefs from 1 April 2014:

Combined rateable value (RV) of all business properties in Scotland:	2014-15	You pay
Up to £10,000	100%	0%
£10,001 to £12,000	50%	50%
£12,001 to £18,000	25%	75%
Upper limit for cumulative (RV)* £35,000	25%	75%

 *This may allow a business with two or more properties with a cumulative rateable value of under £35,000 to qualify for relief at 25% on individual properties with a rateable value of less than £18,000.*

What if I own two different businesses - are they treated separately?

The decision on whether or not to treat a business as separate from another is entirely a matter for Fife Council to determine. Please contact the Business Rates Team to discuss.

What reliefs are available for new businesses?

Fresh Start - This relief assists owners and landlords fill empty properties as well as encouraging new start-ups through reduced rates bills. From 1 April 2014, new occupiers of shops, offices, restaurants, pubs or hotels that have been empty for at least a year will be able to apply for a 50% discount on their business rates for 12 months. The RV threshold for 2014/15 is £65,000.

What reliefs are available for new build premises?

New Start - This was a new relief in 2013/14 that provides rates relief of up to 100%, to owners/ developers of new build empty properties for up to 18 months to encourage speculative development and investment and help increase the supply of new premises for businesses. The relief will run for three years.

What relief is available for renewable energy producers?


A targeted relief for renewable energy producers offers discounts of up to 100% to promote the expansion of the sector. This relief operates under State Aid rules that allow the granting of public sector assistance of up to €200,000 (approximately £181,000) over a rolling 3-year period (the *de minimis* limit for State aid).

Cumulative rateable value	Percentage relief
up to £145k	100%
up to £430k	50%
between £430k and £860k	25%
between £860k and £4m	10%
greater than £4m	2.5%

What relief is available for businesses in rural areas?

Rural Rate Relief is available for certain types of properties in a rural settlement with a population below 3,000. Thresholds are:

Type of business	Scottish Thresholds 2014-15
Sole shop, general store or post office	£8,500
Sole petrol filling station or pub	£12,750
Cap for discretionary relief	£17,000

 *These properties must be occupied by an eligible ratepayer to be entitled to relief at 50% of the full charge.*

What if my property is empty? Do I still have to pay rates?

You may qualify for Empty Period Rates Relief. For 2014-15, the Scottish Government grants 100% rates relief to properties that are empty for the first three months and 10% discount thereafter. However, for some properties such as industrial and listed buildings and properties with rateable values of less than **£1,700** there are no rates to pay even after the first three months.

What other types of relief are available?

Churches, chapels and church halls can be awarded full exemption when they are occupied by religious bodies and used for the purposes of that body, with no profit from any other use. There is also a discretionary rating relief scheme for **sports clubs and organisations not conducted for profit**.

There is no change to **Charity Relief** in 2014/15. If your organisation is a registered charity and the property is used 'wholly or mainly for charitable purposes', you may be entitled to 80% mandatory rates relief. Contact the Business Rates Team for more details.

Up to 100% relief can be awarded to properties occupied by organisations related to the provision of **residential care** (e.g. nursing homes) **or training of disabled persons**.

Section 4: Payment

How much do I have to pay?

When you start a new business or move into new premises, tell Fife Council. They will send you a rates bill for the correct amount. Their contact details are in Section 5.

Fife Council will send you a business rates bill in April each year; bills will generally rise each year in line with inflation. The bill will tell you the amount you have to pay in the coming year and how the Council worked out that amount.

Rates are normally payable in ten instalments commencing in May and ending in February. However, you can pay in a lump sum payable on 30 September.

How are my rates calculated?

Business rates are worked out using the rateable value set by the Fife Assessor and the 'poundage rate' set by the Scottish Government.

The amount you have to pay may be reduced, however, subject to eligibility for the relief schemes outlined in Section 3.

What information is in my rates bill?

Your bill shows:

- how much you have to pay in total and how the amount was calculated
- when you need to pay each instalment and how much to pay each time.

If you think that your bill is wrong or that you are entitled to a reduction, you should contact Fife Council and explain why.

Your business rates bill does not include charges such as rent, business leases, water charges or other costs.

What is the poundage?

The poundage rate for Scotland in 2014-15 is 47.1 pence.

How do you calculate the poundage?

The Scottish Government has committed that the poundage in Scotland will not rise above the equivalent English rate for the lifetime of the current Parliament.

Scottish Ministers set the uniform poundage rate to be levied throughout Scotland for each financial year (i.e. 1 April to 31 March).



For example: The rateable value of your premises is £10,000. With a poundage of 47.1 pence, you will pay £4,710 rates without any reliefs.

Larger businesses (with rateable values in excess of £35,000) will pay a poundage supplement of 1.1 pence in 2014-15 (total £0.48.2), to contribute towards the cost of the Small Business Bonus Scheme.

What is the Public Health Supplement?

All large retail properties with a rateable value of or over £300,000, which sell both alcohol and tobacco, will also be required to pay a Public Health Supplement of 13 pence in 2014-15. The Public Health Supplement is in addition to the standard poundage rate and the Large Business Supplement.

What if I am in a Business Improvement District (BID)?

If you are located in a **BID** area, a separate **BID** levy bill will be sent to you. **BIDs** came into force in Scotland in 2007. There are two town centre **BIDs** in Fife **Kirkcaldy4All** and **Dunfermline Delivers**.

A BID is a precisely defined geographical area of a town, commercial district, or tourism/visitor area, where businesses vote to invest collectively in activity to improve the business environment and encourage local economic growth. **BIDs** are developed, managed and paid for by the commercial sector by means of a compulsory **BID** levy.

A **BID** can be established wherever the local business community desires additional services to those which the statutory authorities provide. It could be located in a town centre, in one or two particular streets or an entire tourism/ visitor area. Equally, it could be located in an industrial estate or business park, or, if there is sufficient business support, in rural areas, including agriculture.

More information on **BIDs** can be obtained from Fife Council's Regeneration, Place & Environment Team. Their contact details are included in **Section 5 on page 14**.

What payment methods are available to me?

Direct Debit - this is the most convenient way to pay. You can setup a Direct Debit by calling Fife Council's Business Rates Team on 01592 583644. You will need your bank account number, sort code and details of the account holders. You can also download a Direct Debit mandate on www.fifedirect.org.uk/index.cfm

Online -

www.civicaepay.co.uk/Fife/WebPay_Public/webpay/Default.aspx

Internet Banking - payments should be forwarded to Sort Code **83-22-37 Bank Account 00197626**. Please quote your rates account number as a reference.

Telephone - to use Fife Council's automated payments line please call 03451 550055 and select the option for Non Domestic Rates. Follow the instructions for payment by Credit or Debit Card. There is a 1.25% charge for credit card payments.

Post - cheques or postal orders should be crossed and made payable to Fife Council. Please ensure you note your rates account number on the reverse of the cheque or postal order.

Cash Payments - can be made at any PayPoint outlet or Post Office. You will need to take your bill with you.

What if I think my rates bill is wrong?

You have 28 days from when you receive your rates bill to let Fife Council know if you think your rates bill is wrong for any reason.

If you are appealing your rateable value, you must continue to pay the existing business rates during the appeal. If you are successful, the council will pay back any overpayment. Interest on those amounts, based on the current Bank of England base rate, may also be applied.

What if I can't afford to pay my bill?

If you feel you cannot pay the bill or any of the instalments, you should contact Fife Council's Business Rates Team **straight away (but you should continue to make your payments)**.

Business Gateway Fife can help provide advice on financial planning, cash flow and access to funding sources including for working capital. Their contact details are in Section 5.

What if I don't pay?

Do not ignore your bill - If you do not keep your instalments up to date, you may lose the right to pay by instalments, in which case the full year's charge will become immediately payable. A Final Notice for the full outstanding amount for the year will be issued.

Final Notices require payment within 14 days. If full payment is not made as requested, Fife Council may institute legal proceedings against you.

This may be by **Summary Warrant**, which, amongst other things, results in an additional 10 per cent being added to the amount due to cover administrative costs.

If you are having difficulty in making payment, you should contact Fife Council's Business Rates Team to discuss alternative payment arrangements immediately.

Section 5: Further Information

Rateable Value

For information about the valuation of your property or how to appeal against a rating assessment you should contact the Fife Assessor.

Fife Assessor

e-mail: fife.assessor@fife.gov.uk

tel: 03451 55 55 33

post: Fife Assessor, Kingdom House,
Kingdom Avenue, Glenrothes, KY7 5LY

Details about rateable values of non-domestic subjects in Scotland can be found on the Scottish Assessors Portal www.saa.gov.uk. There are online facilities for completing Return of Information forms or appealing against Rateable Values.

Professional Advice

You can call the Royal Institution of Chartered Surveyors (RICS) enquiry line on 0870 333 1600 for advice from a local chartered surveyor or they can be contacted by email at: contactrics@rics.org.

Rates bill or reliefs

For questions about your **rates bill** or your eligibility for any **rates relief**, you should contact the **Business Rates & Income Recovery Team, Fife Council**. They are responsible for the assessment, billing, collection and recovery of all Non Domestic Rate Income.

All changes in circumstances e.g. change in owner or tenant, changes in entitlement to reliefs etc. must be notified in writing or by email to:

Business Rates and Income Recovery Team, Fife Council

e-mail: rates.team@fife.gov.uk

tel: 01592 583644
(or ask for the business rates team if using 03451 00 00 00)

post: Business Rates and Income Recovery Team
Fife Council, Rothesay House,
Rothesay Place, Glenrothes KY7 5PQ

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Financial planning or sourcing finance

Business Gateway Fife

E-mail: info@bgfife.co.uk

Tel: 01592 858 5333

Post: Business Gateway Fife, Saltire House,
Pentland Court, Glenrothes KY6 2AL

Business Improvement Districts (BIDS)

More information on Business Improvement Districts (BIDS) can be obtained from:

The Regeneration, Place & Environment Team,
Fife Council

Tel: 03451 00 00 00.