

Statistics Publication Notice

Economy (Local Government Finance)

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Non-Domestic Rates Relief Statistics for Small Businesses in Scotland 2016

27th October 2016

This publication provides statistics on the Small Business Bonus Scheme, which provides non-domestic rates relief (business rates discounts) to small businesses in Scotland.

Data provided in this publication relate to **mid-year estimates** provided by local authorities, and 'recipients' refers to properties in receipt of relief.

Key points:

- There are 102,394 recipients of Small Business Bonus Scheme (SBBS) relief in 2016-17, an increase of 2,835 from 99,559 in 2015-16.
- The SBBS provided £180m in relief in 2016-17, an increase from £174m in 2015-16.
- The number of properties receiving SBBS relief over the past 8 years has increased by 60% from 64,179 in 2008-09 to 102,394 in 2016-17. Likely reasons for this increase include expansion of the scheme (detailed in the background notes) and greater awareness of the scheme.
- Around 89% of properties receiving relief were in the lowest rateable value (RV) band in the SBBS (RV less than or equal to £10,000).

CHARTS and TABLES

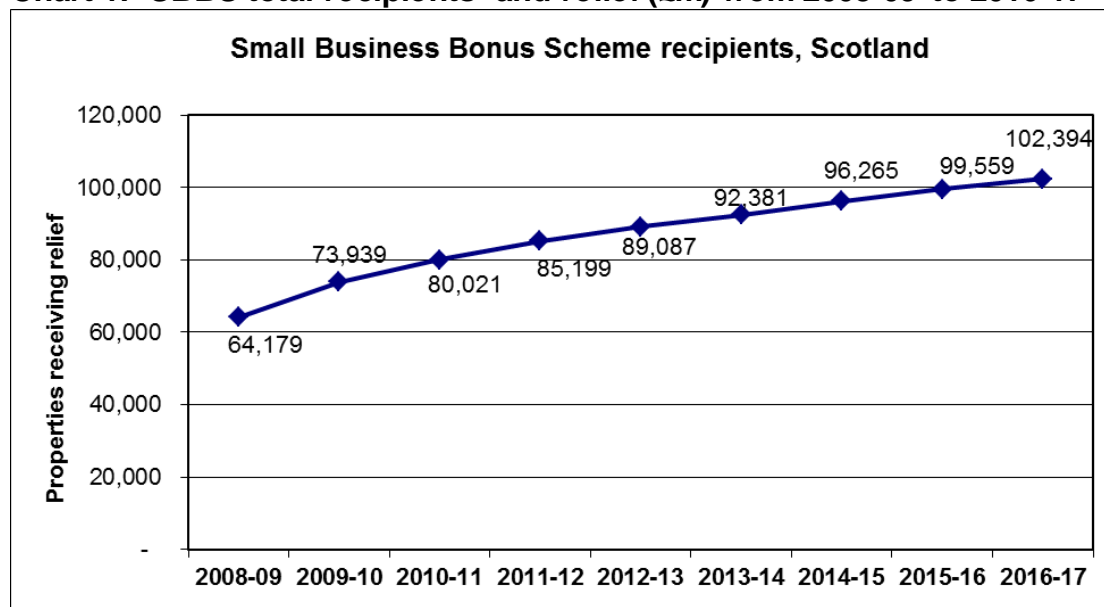
Chart 1: SBBS total recipients and relief (£m) from 2008-09 to 2016-17;

Table 1: Number of recipients of SBBS, 2008-09 to 2016-17 by local authority;

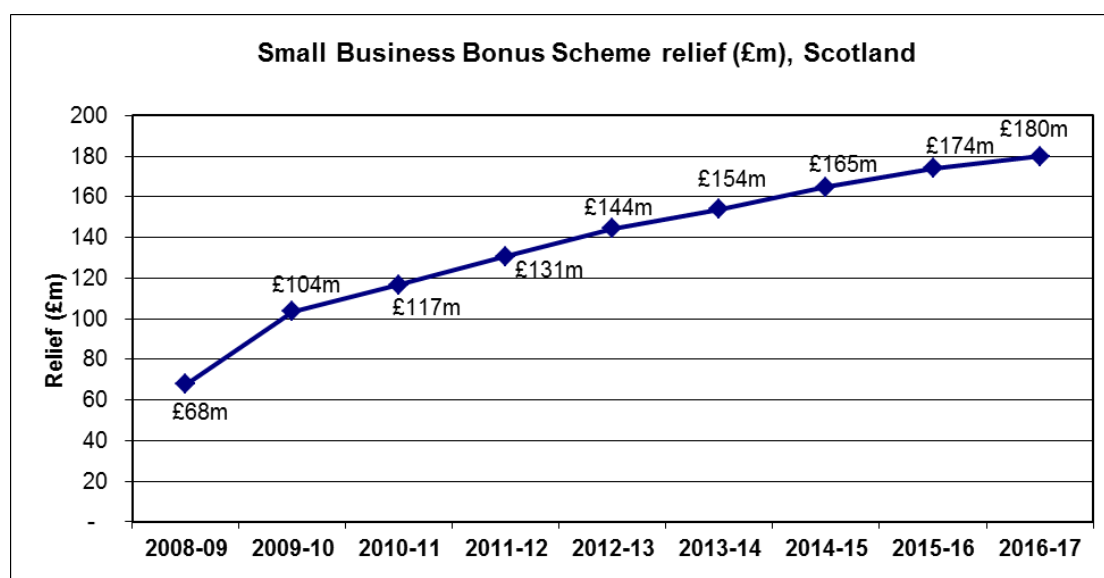
Table 2: SBBS relief provided, 2008-09 to 2016-17 by local authority;

Table 3: Number of recipients of the SBBS and total rateable value by RV band and local authority, September 2016.

Chart 1: SBBS total recipients¹ and relief (£m) from 2008-09 to 2016-17



1. Number of recipients as at September/October of the relevant financial year



The number of recipients of SBBS relief has increased each year since the introduction of the scheme from 64,179 in 2008-09 to 102,394 in 2016-17 (Chart 1). In the last year, the number of SBBS recipients increased by 3% from 99,559 in 2015-16 to 102,394 in 2016-17. Breakdowns by local authority of the number of recipients, and relief provided, are shown in Tables 1 and 2.

Likely factors for the increasing trend in recipients and amount of relief include changes to the scheme over previous years (see background notes) and promotion of the scheme to encourage uptake as well as other factors such as growth in the underlying tax base.

Table 1 shows number of recipients by local authority. The SBBS is an application based scheme (business owners must apply to their local authority), and a local authority may occasionally ask businesses to reapply.

Table 1: Number of recipients of SBBS, 2008-09 to 2016-17^{1,2,3}

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 ^{4,5}
Aberdeen City	1,800	1,873	1,784	2,010	1,975	2,041	2,045	2,112	2,141
Aberdeenshire	4,016	4,501	4,726	5,040	5,170	5,330	5,408	5,514	5,692
Angus	1,854	1,904	2,067	2,125	2,190	2,212	2,361	2,381	2,475
Argyll & Bute	3,152	3,507	3,589	3,885	4,220	4,362	4,576	4,670	4,733
Clackmannanshire	509	569	637	696	741	787	770	775	802
Dumfries & Galloway	3,224	3,475	3,666	3,979	4,079	4,401	4,628	4,647	5,007
Dundee City	1,494	1,747	1,899	2,047	1,952	2,171	2,275	2,313	2,426
East Ayrshire	1,127	1,341	1,430	1,469	1,534	1,551	1,658	1,671	1,829
East Dunbartonshire	626	833	936	1,014	1,068	1,112	1,152	1,194	1,198
East Lothian	1,244	1,324	1,467	1,529	1,556	1,587	1,668	1,679	1,755
East Renfrewshire	550	613	676	693	737	747	774	798	819
Edinburgh, City of	4,728	5,601	6,275	6,316	6,691	6,163	7,081	7,882	7,043
Eilean Siar	405	561	507	735	821	885	1,073	1,215	1,267
Falkirk	1,365	1,579	1,675	1,719	1,879	1,947	2,091	2,182	2,286
Fife	3,912	4,581	5,004	5,365	5,516	5,800	5,995	6,187	6,415
Glasgow City	4,713	6,083	6,870	7,476	7,962	8,440	8,943	9,156	9,715
Highland	5,642	6,487	7,302	7,808	8,383	8,715	8,991	9,546	9,691
Inverclyde	604	715	793	872	921	983	1,001	1,041	1,057
Midlothian	779	948	1,081	1,124	1,127	1,107	1,162	1,235	1,106
Moray	1,509	1,722	1,772	1,815	1,863	2,018	2,055	2,119	2,156
North Ayrshire	1,847	2,086	2,271	2,425	2,477	2,604	2,646	2,396	2,766
North Lanarkshire	2,340	2,799	3,085	3,352	3,576	3,768	3,299	3,863	4,146
Orkney Islands	835	1,019	1,044	1,036	1,132	1,171	1,206	1,227	1,238
Perth & Kinross	2,893	3,203	3,441	3,798	3,991	4,166	4,343	4,221	4,526
Renfrewshire	1,797	2,091	2,242	2,258	2,503	2,432	2,475	2,566	2,598
Scottish Borders	2,809	2,981	3,281	3,414	3,489	3,580	3,652	3,791	3,987
Shetland Islands	407	551	551	626	671	700	736	752	781
South Ayrshire	1,625	1,848	1,944	2,019	2,063	2,164	2,227	2,232	2,336
South Lanarkshire	2,694	3,224	3,376	3,558	3,597	3,965	4,167	4,218	4,328
Stirling	1,716	1,859	1,909	2,076	2,155	2,224	2,281	2,348	2,458
West Dunbartonshire	655	773	977	1,079	1,111	1,194	1,250	1,291	1,162
West Lothian	1,308	1,541	1,744	1,841	1,937	2,054	2,276	2,337	2,455
Scotland	64,179	73,939	80,021	85,199	89,087	92,381	96,265	99,559	102,394

1. Includes recipients of SBBS relief who also receive other NDR relief.

2. 2008-09 was the first year of the SBBS and the thresholds for relief increased in 2010-11 to reflect the change in rateable values due to revaluation. (See background notes for details of relief thresholds).

3. Data on number of recipients are mid-year estimates.

4. At the time of the 2016 snapshot Edinburgh, Midlothian and West Dunbartonshire were undertaking a review of SBBS resulting in lower reported number of recipients.

5. Between any given years the numbers of properties in receipt of SBBS may vary due to a range of reasons, including other types of NDR relief received, openings/closures and relocations and expansions of chains.

Table 2: SBBS relief provided, 2008-09 to 2016-17 by local authority ^{1,2,3,4}

	Total relief (£ million)								
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Aberdeen City	2.4	3.3	3.3	3.8	4.0	4.2	4.4	4.6	4.7
Aberdeenshire	3.4	5.0	5.8	6.4	7.0	7.4	7.9	8.1	8.6
Angus	1.8	2.4	2.7	2.9	3.2	3.4	3.7	3.8	4.1
Argyll & Bute	2.2	3.1	3.3	3.8	4.2	4.4	4.8	5.0	5.3
Clackmannanshire	0.5	0.8	0.9	1.1	1.2	1.3	1.4	1.4	1.5
Dumfries & Galloway	2.6	3.6	4.0	4.6	5.0	5.6	5.9	6.1	6.7
Dundee City	1.8	2.8	3.1	3.5	3.7	4.3	4.7	4.9	5.1
East Ayrshire	1.3	2.1	2.2	2.5	2.7	2.8	3.1	3.2	3.5
East Dunbartonshire	0.9	1.5	1.7	1.9	2.1	2.3	2.5	2.7	2.7
East Lothian	1.3	1.9	2.2	2.4	2.6	2.7	2.8	3.0	3.2
East Renfrewshire	0.7	1.1	1.2	1.3	1.5	1.6	1.7	1.8	1.8
Edinburgh, City of	6.5	10.1	11.8	12.7	13.9	12.9	15.6	17.5	15.5
Eilean Siar	0.3	0.6	0.6	0.8	0.9	1.0	1.2	1.3	1.4
Falkirk	1.7	2.5	2.7	2.9	3.4	3.6	3.9	4.2	4.4
Fife	4.2	6.5	7.4	8.3	9.2	10.1	10.7	11.3	11.7
Glasgow City	6.5	11.0	12.8	14.6	16.6	18.0	19.5	20.5	21.8
Highland	4.2	6.5	7.7	8.7	9.8	10.5	11.1	11.9	12.2
Inverclyde	0.8	1.3	1.4	1.7	1.9	2.0	2.1	2.2	2.3
Midlothian	0.9	1.4	1.7	1.9	1.9	1.9	2.1	2.3	2.1
Moray	1.3	1.8	2.1	2.2	2.4	2.7	2.8	2.9	3.0
North Ayrshire	1.9	2.7	3.0	3.4	3.7	4.0	4.1	3.8	4.2
North Lanarkshire	3.2	5.1	5.8	6.5	7.4	7.7	6.9	8.3	8.9
Orkney Islands	0.5	0.8	0.9	0.9	1.1	1.1	1.2	1.3	1.3
Perth & Kinross	2.7	4.2	4.5	5.2	5.8	6.2	6.7	6.7	7.2
Renfrewshire	2.3	3.4	3.7	4.0	4.6	4.7	5.1	5.4	5.4
Scottish Borders	2.2	3.4	3.8	4.2	4.5	4.9	5.1	5.4	5.6
Shetland Islands	0.3	0.5	0.6	0.7	0.8	0.8	0.8	0.9	0.9
South Ayrshire	1.7	2.6	2.9	3.1	3.5	3.8	4.0	4.1	4.3
South Lanarkshire	3.6	5.5	5.8	6.4	6.8	7.8	8.4	8.6	9.1
Stirling	1.6	2.4	2.6	3.0	3.3	3.5	3.7	3.8	4.0
West Dunbartonshire	0.8	1.3	1.6	1.9	2.1	2.3	2.5	2.6	2.4
West Lothian	1.7	2.6	3.1	3.4	3.9	4.2	4.7	4.9	5.1
Scotland	67.8	103.7	116.8	130.8	144.5	154.1	165.0	174.3	180.0

1. Includes recipients of SBBS relief who also receive other NDR relief. The amount of other relief provided is not included in the total relief figure.
2. 2008-09 was the first year of the SBBS and the thresholds for relief increased in 2010-11 to reflect the change in rateable values due to revaluation. (See background notes for details of relief thresholds).
3. Estimates of relief provided are mid-year estimates.
4. When comparing the amount of relief received in each year, it is important to consider impacts of annual changes in the poundage rates (See page footnote 1).

The amount of SBBS relief provided has also increased in each year of the scheme. Contributory factors include increases in the number of recipients, changes to the scheme (see background note) and inflationary increases in the poundage rate¹. £68m in relief was provided in 2008-09 and this has increased each year to a value of £180m in 2016-17 (Chart 1 and Table 2). This amounts to an average saving per property of £1,758 in 2016-17.

¹ When comparing the amount of relief received in each year, it is important to consider impacts of annual changes in the poundage rates (see background notes). The poundage rates for each year were: 2008-09 45.8p, 2009-10 48.1p, 2010-11 40.7p, 2011-12 42.6p, 2012-13 45.0p, 2013-14 46.2p, 2014-15 47.1p, 48.0p 2015-16, 48.4p 2016-17. The drop in the poundage rate between 2009-10 and 2010-11 was due to the 2010 revaluation which saw a decrease in the poundage rate to offset an overall increase in the Rateable Values of properties.

Table 3: Number of Small Business Bonus Scheme Relief Recipients and Rateable Values by RV band and Local Authority, at September 2016^{1,2,3,4}

	Rateable Value (RV) of relief recipient							
	Less than or equal to £10,000		Between £10,001 and £12,000		Between £12,001 and £18,000		All recipients	
	Properties in receipt of relief	Total Rateable Value of properties in receipt of relief (£)	Properties in receipt of relief	Total Rateable Value of properties in receipt of relief (£)	Properties in receipt of relief	Total Rateable Value of properties in receipt of relief (£)	Properties in receipt of relief	Total Rateable Value of properties in receipt of relief (£)
Aberdeen City	1,733	8,665,930	139	1,555,250	269	4,022,251	2,141	14,243,431
Aberdeenshire	5,134	17,661,699	214	2,372,450	344	5,094,850	5,692	25,128,999
Angus	2,262	8,400,155	85	947,550	128	1,886,245	2,475	11,233,950
Argyll & Bute	4,527	10,934,155	79	889,360	127	1,905,135	4,733	13,728,650
Clackmannanshire	732	3,020,183	22	242,100	48	708,040	802	3,970,323
Dumfries & Galloway	4,715	13,593,075	90	1,018,131	202	3,023,375	5,007	17,634,581
Dundee City	2,079	9,832,860	137	1,526,300	210	3,127,450	2,426	14,486,610
East Ayrshire	1,649	6,872,495	73	822,550	107	1,570,150	1,829	9,265,195
East Dunbartonshire	979	5,061,295	81	900,100	138	2,028,150	1,198	7,989,545
East Lothian	1,558	6,016,735	78	865,600	119	1,781,600	1,755	8,663,935
East Renfrewshire	647	3,150,375	80	904,100	92	1,355,250	819	5,409,725
Edinburgh, City of	5,633	28,728,155	572	6,368,350	838	12,405,200	7,043	47,501,705
Eilean Siar	1,211	3,129,550	30	335,500	26	407,500	1,267	3,872,550
Falkirk	2,012	8,704,420	107	1,181,400	167	2,438,250	2,286	12,324,070
Fife	5,680	23,436,956	277	3,070,100	458	6,690,930	6,415	33,197,986
Glasgow City	8,067	40,223,935	620	6,939,850	1,028	15,244,300	9,715	62,408,085
Highland	9,145	25,790,224	200	2,249,400	346	5,197,550	9,691	33,237,174
Inverclyde	938	4,357,030	49	546,350	70	1,015,850	1,057	5,919,230
Midlothian	952	3,984,233	62	692,200	92	1,338,900	1,106	6,015,333
Moray	1,978	5,992,395	80	891,100	98	1,439,850	2,156	8,323,345
North Ayrshire	2,414	8,672,095	78	876,250	274	2,152,000	2,766	11,700,345
North Lanarkshire	3,530	17,043,255	261	2,881,600	355	5,217,600	4,146	25,142,455
Orkney Islands	1,175	2,763,380	27	295,900	36	544,000	1,238	3,603,280
Perth & Kinross	4,133	14,619,515	167	1,848,600	226	3,376,500	4,526	19,844,615
Renfrewshire	2,245	10,361,865	135	1,524,400	218	3,200,950	2,598	15,087,215
Scottish Borders	3,709	11,214,615	117	1,300,100	161	2,422,100	3,987	14,936,815
Shetland Islands	739	1,978,641	10	114,400	32	458,150	781	2,551,191
South Ayrshire	2,091	8,592,620	99	1,126,250	146	2,152,000	2,336	11,870,870
South Lanarkshire	3,730	17,386,395	275	3,035,850	323	4,770,050	4,328	25,192,295
Stirling	2,180	7,722,395	95	1,052,000	183	2,679,300	2,458	11,453,695
West Dunbartonshire	1,038	4,665,760	50	554,250	74	1,100,450	1,162	6,320,460
West Lothian	2,120	10,062,095	145	1,617,800	190	2,836,100	2,455	14,515,995
Scotland	90,735	352,638,486	4,534	50,545,141	7,125	103,590,026	102,394	506,773,653

1. Includes 3,409 recipients of other reliefs in addition to SBBS relief.
2. The RV of these properties is included in its gross form, before any relief is applied.
3. RV of relief recipients refers to the individual subject or property and not to the accumulated RV of the business to which the property belongs.
4. The data collection does not separately identify properties that are part of business chains. Hence, the number of recipients (and total RV) shown for a specific RV band will include a small proportion of properties that are part of business chains and therefore may not be entitled to the full percentage relief for that RV band.

As at September 2016 there were 102,394 properties in receipt of Small Business Bonus Scheme rates relief with a total rateable value of £507m. Of those, 89% (90,735) were in the lowest rateable value (RV) band in the SBBS (RV less than or equal to £10,000). Full breakdowns by rateable value band and local authority are shown in Table 3 above.

BACKGROUND NOTES

Data Sources

The Small Business Bonus Scheme (SBBS) Annex is a statistical return compiled annually by the Scottish Government from all local authorities. Local authorities complete a summary of the number of properties in receipt of SBBS relief, the rateable value of these properties, costs of the scheme and information on the large business supplement. The continued co-operation of local authorities in completing these returns is gratefully acknowledged by the Scottish Government.

The SBBS Annex is a snapshot of the distribution of SBBS recipients across local authorities at a single point in time. It provides mid-year estimates based on a snapshot of recipients rather than a comprehensive summary of recipients throughout the year. Results are collected on a consistent basis, but where, for example, a local authority runs a reapplication process to minimise fraud, this will be reflected in year to year variation.

Data Definitions

Non-domestic rates are a property based tax. They are based on the rateable value (RV) of a non-domestic (business) property, multiplied by the poundage set nationally by Scottish Ministers, less any relief to which a ratepayer may be eligible.

The Small Business Bonus Scheme (SBBS) was introduced on 1st April 2008 to provide non-domestic rates (NDR) relief for small businesses in Scotland. It replaced the Small Business Rates Relief Scheme (SBRRS) and is one of a number of non-domestic rates reliefs offered by the Scottish Government.

The SBBS offers a discount of up to 100% on non-domestic rates bills for eligible business properties in Scotland. Whether a business is eligible for the SBBS and the level of relief received will depend upon:

- (a) the cumulative rateable value (RV) of all the properties in Scotland of which a business is in rateable occupation, (or if vacant, which the business is entitled to occupy);
- (b) whether or not each property is eligible for one of the (other) existing non-domestic rates relief schemes;
- (c) the level of other public sector assistance received by the business.

If a business consists of two or more properties, the cumulative RV of all the properties in the business chain is used when assessing eligibility for the SBBS. If the total rateable value of the chain is above the uppermost SBBS threshold, none of the properties will be eligible for SBBS relief, even if some or all of the properties in the chain have rateable values below the uppermost threshold. This ensures that relief is targeted at the smallest businesses.

If a business is eligible for SBBS relief but is already receiving another NDR relief, the existing relief takes precedence and any SBBS relief is added on to

make up the difference between the relief they were receiving and the total relief they are eligible for under the SBBS. In cases where the SBBS relief percentage that a business is eligible for is *lower* than that for the main NDR relief, the SBBS relief would be less beneficial, so the property is deemed ineligible for the SBBS (but continues to receive the main relief).

The table below sets out the rateable value thresholds and level of relief entitlement for each year that the SBBS has been in operation. Relief of 100% indicates full relief (i.e. no rates payable).

SBBS relief thresholds 2008-09 to 2016-17

	2008-09		2009-10		2010-11 – 2013-14		2014-15 onwards	
	RV threshold	Relief	RV threshold	Relief	RV threshold	Relief	RV threshold	Relief
Lower Rateable Value (RV) band	up to £8,000	80%	up to £8,000	100%	up to £10,000	100%	up to £10,000	100%
Middle Rateable Value (RV) band	£8,001 to £10,000	40%	£8,001 to £10,000	50%	£10,001 to £12,000	50%	£10,001 to £12,000	50%
Upper Rateable Value (RV) band	£10,001 to £15,000	20%	£10,001 to £15,000	25%	£12,001 to £18,000	25%	£12,001 to £18,000	25%
Cumulative RV of a business's properties (business chains)	greater than £15,000	0%	greater than £15,000	0%	up to £25,000	25% on each individual property with an RV not exceeding £18,000	up to £35,000	25% on each individual property with an RV not exceeding £18,000

Relief values (£) reported in this publication are mid-year estimates of the annual amount of relief based on a snapshot of recipients around the middle of the financial year (taken on 15th September for 2016). Final year costs are published in the Scottish Local Government Financial Statistics publication in February of each year which can be accessed at:

<http://www.scotland.gov.uk/Topics/Statistics/Browse/Local-Government-Finance/PubScottishLGStats>

More information on NDR relief schemes and their interaction can be found in [the Scottish Government's 'Brief Guide to Non-Domestic Rates'](#) and information on Local Government Finance statistics at:

<http://www.scotland.gov.uk/Topics/Statistics/Browse/Local-Government-Finance> .

This publication (and those for earlier years) can be accessed at:

<http://www.scotland.gov.uk/Topics/Statistics/Browse/Local-Government-Finance/NDR-Rates-Relief>.

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