

## **RENEWABLE ENERGY GENERATION RELIEF SCHEME 2010-11 IMPLEMENTATION ARRANGEMENTS:**

### **GUIDANCE FOR LOCAL AUTHORITIES**

1. This guidance is intended to assist local authorities with the implementation arrangements for the new scheme. The relevant legislation is: The Non-Domestic Rates (Renewable Energy Generation Relief) (Scotland) Regulations 2010 (SSI 2010/44).

2. The Renewable Energy Generation Relief Scheme will provide non-domestic rates relief from 1 April 2010, to renewable energy producers who are solely concerned with the production of heat or power (or both) from the following sources:

- a. biomass;
- b. biofuels;
- c. fuel cells;
- d. photovoltaics;
- e. water (including waves and tides, but excluding production from the pumped storage of water);
- f. wind;
- g. solar power;
- h. geothermal sources;

**Note:** heat or power produced by Combined Heat and Power (CHP) systems is not classed as renewable, unless that system uses only sources of energy described in sub-paragraphs (a) to (h) and has an electrical capacity of 50 kilowatts or less.

### **The percentage of relief available to non-domestic properties banded by rateable value**

#### **Combined rateable value of all business properties in Scotland:**

#### **Percentage relief (%)**

up to £145k	100
up to £430k	50
more than £430k to £860k	25
more than £860k to £4m	10
greater than £4m	2.5

### **Assessing Eligibility for Relief**

3. In general, when assessing eligibility for Renewable Energy Generation relief, four criteria need to be considered for each business:

- a) whether the business is solely concerned with the generation of heat or power by the means listed above;
- b) whether the property is in receipt of any other relief;
- c) the level of other public sector assistance received by the business (in order to determine compliance with the State aids *de minimis* limit (see below); and
- d) 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.

**Note:** Where there are multiple entries on the valuation roll for the same ratepayer it is the combined rateable value of properties used for renewable energy production which should be considered for the award of this relief.

For example, a business has a number of properties with a total rateable value (RV) of £1m RV, and one of the individual properties is a wind farm with a RV of £300,000 used solely for renewable energy production.

In this example, the wind farm can be receive 50% relief (because the renewable energy production part of the business falls into the “up to £430k RV band”).

However, all reliefs or other financial assistance for all subjects for this ratepayer, across all properties for which they liable, must be monitored to ensure that they do not breach the State aid *de minimis* limit, regardless of whether or not the properties are concerned with renewable energy production.

## State aid

**Relief can be awarded for all individual properties concerned with renewable energy production up to *de minimis* State aid limits.**

4. State aid is a European Commission (EC) term which refers to forms of public assistance given to undertakings on a discretionary basis, with the potential to distort competition and affect trade between Member States. State aid rules apply to aid measures in any form and are equally applicable to tax measures such as non-domestic rates relief. To ensure consistency and equality across the EU, guidance is provided in the Commission notice on the application of State aid rules to direct business taxation (98/C/384/03).

**A copy of the guidance note for local authorities on Non-Domestic Rates Relief and State Aid is available for download by clicking: [here](#)**

**Further guidance is available from the State Aid Unit website: [www.stateaidscotland.gov.uk](http://www.stateaidscotland.gov.uk)**

## **Application procedure for the Renewable Energy Generation Relief Scheme**

5. The Renewable Energy Generation Relief Scheme is an application-based scheme. To determine the exact amount of relief to be awarded, local authorities should ensure they have complete, accurate and up-to-date information on each of the business's properties in Scotland. Businesses are required to apply to each local authority in which the business has a property in Scotland. For the purposes of assessing the percentage relief available, businesses will have to provide details of all properties in Scotland which they own, lease or which they are entitled to occupy, **regardless of whether they are occupied or vacant.**

### **Note: Properties valued under the Designated Assessors Regime**

6. For those properties valued under the designated assessors regime applications should be passed to the relevant local authority for each designated assessor. For example, for electricity properties applications made under the designated Assessor regime should be passed to South Lanarkshire council for processing and billing.

**Contact:** Scottish Government, Business Rates Enquiries, Area 3-J (North), Victoria Quay, Edinburgh EH6 6QQ

**Email:** [Business.Rates.Enquiries@scotland.gsi.gov.uk](mailto:Business.Rates.Enquiries@scotland.gsi.gov.uk)

**Website:** [www.scotland.gov.uk/businessrates](http://www.scotland.gov.uk/businessrates)

**NB example is for guidance purposes only - local authorities are free to design their own forms**

## RENEWABLE ENERGY GENERATION RELIEF SCHEME - [sample] APPLICATION FORM

Subject (property) address:

Reference No (from your bill):

Rateable Value:

The qualifying conditions for the purposes of the scheme is defined as a **business owning, leasing or otherwise entitled to occupy one or more business properties in Scotland with a total combined rateable value of £4m or less, solely concerned with the generation of heat or power (or both) from the following sources:**

- a. biomass;
- b. biofuels;
- c. fuel cells;
- d. photovoltaics;
- e. water (including waves and tides, but excluding production from the pumped storage of water);
- f. wind;
- g. solar power;
- h. geothermal sources;

**Note: Combined Heat and Power (CHP)** systems are only considered to be renewable if they use the sources of energy listed above and have an electrical capacity of 50 kilowatts or less.

The level of renewable energy generation rate relief available depends on the combined rateable value of your business's eligible property (or properties), and is set out in the table below:

<b>Combined rateable value of all business properties in Scotland:</b>	<b>Percentage relief (%)</b>
up to £145k	100
up to £430k	50
between £430k and £860k	25
between £860k and £4m	10
greater than £4m	2.5

**The rateable value of your property can be found using the “search for a rateable value” facility at - [www.saa.gov.uk](http://www.saa.gov.uk)**

The exact level of relief awarded will depend on:

- a) the **combined** rateable value of **all** properties in Scotland of which your business is in rateable occupation or (if vacant) which your business is entitled to occupy;
- b) whether or not the property is eligible for one of the existing rate relief schemes; and
- c) the level of other public sector assistance received by your business (see: State aid below).

**STATE AID:**

Applicants should note that the **RENEWABLE ENERGY GENERATION** relief for which they are applying is granted as **de minimis** aid for **State aid purposes**. There is currently a ceiling of 200,000 Euros (around £175,000, although exact amount will fluctuate) of de minimis aid that can be granted over a three year period. **If you consider that you have already received in excess of, or close to, this sum over the past three years, please attach details with this application form.**

**CHANGE IN CIRCUMSTANCES:**

**IT IS YOUR DUTY TO INFORM THE RELEVANT COUNCIL(S) OF ANY CHANGE IN CIRCUMSTANCES WHICH MAY AFFECT YOUR ELIGIBILITY FOR THE SCHEME.**

Help us to help you. Please enter your daytime telephone number. This will allow us to contact you speedily if we need further information.

Please provide us with a contact name in your organisation.

Name:

Email:

Designation:

**ARE YOU LIABLE FOR RATES ON ANY OTHER PROPERTY IN SCOTLAND?**

**No [PLEASE TICK]**

**Yes [PLEASE TICK]**

If **YES** please detail below (on a separate page if necessary) any other business premises you or your company/organisation are liable for in Scotland:

<b>1. PROPERTY ADDRESS</b>	<b>2. PROPERTY ADDRESS</b>
<b>REFERENCE NO</b>	<b>REFERENCE NO</b>
<b>TYPE AND CAPACITY OF GENERATOR</b>	<b>TYPE AND CAPACITY OF GENERATOR</b>
<b>RATEABLE VALUE</b>	<b>RATEABLE VALUE</b>
<b>3. PROPERTY ADDRESS</b>	<b>4. PROPERTY ADDRESS</b>
<b>REFERENCE NO</b>	<b>REFERENCE NO</b>
<b>TYPE AND CAPACITY OF GENERATOR</b>	<b>TYPE AND CAPACITY OF GENERATOR</b>
<b>RATEABLE VALUE</b>	<b>RATEABLE VALUE</b>

**IF ANY OF THE ABOVE PROPERTIES ARE OUTSIDE THE [insert relevant council] AREA, PLEASE ENCLOSE A COPY OF YOUR MOST RECENT RATES DEMAND NOTICE.**

**PLEASE DETAIL, ON AN ATTACHED LIST, ANY OTHER ADDITIONAL PROPERTIES.**

**DECLARATION**

**I UNDERSTAND THAT:** - The Council is under an obligation to manage public funds properly. Accordingly information that you provide the Council will be used to ensure all sums due to the Council are paid timeously. The information may also be used to prevent and detect fraud. It is possible that

this information may be shared for the same purposes with public bodies, including Councils or other organisations which handle public funds.

**I AGREE THAT:** - You may make any enquiries necessary to check the information I have given. I understand that any relief awarded to me as a result of misleading statements deliberately given on this form will be recovered in full and that I may be liable to legal action.

**I DECLARE THAT:-** The information I have given on this form is true, complete and correct. I understand that the deliberate provision of false information in order to achieve financial gain is a criminal offence.

<b>COMPANY STAMP</b>	<b>APPLICANT'S NAME</b>
<b>POSITION HELD</b>	
<b>DATE</b>	

**IMPORTANT** Before posting this form to [ **insert the council's Revenue Department details**], please check the following:-

**Have you included all requested documentation?**

**(e.g. rateable values of any other business properties which you have anywhere in Scotland, details of other public sector assistance received)**

**Have you signed the declaration above?**