

NON-DOMESTIC RATES NORTH EAST SCOTLAND (ABERDEENSHIRE) INVESTMENT ZONE RELIEF POLICY

Policy Summary

This policy provides guidance to ratepayers regarding the use of the council's discretionary powers to award Non-Domestic Rates Investment Zone relief within designated Tax Sites, including eligibility criteria. Investment Zone relief is intended to stimulate and enable private sector development in specified undeveloped and under-developed areas, with a focus on the green energy and digital technology sectors in Aberdeenshire. In doing so, the policy supports genuine additional investment, employment and rateable value growth, while ensuring awards are affordable, evidence-based, compliant with Scottish Government guidance and subsidy control requirements, and aligned with the wider objectives of the North East Scotland Investment Zone.

Policy Status	Approved and finalised by the committee on 17/09/2026
Responsible Officer	Gail Smith, Revenues Finance Manager
Policy Sponsor	Mary Beattie, Head of Finance
Authorised By	Business Services Committee
Policy Review Date	17/09/2031

1. Policy Statement

Local Authorities have a statutory duty to bill and collect non-domestic rates ensuring that relief is awarded to eligible properties, both mandatory and discretionary as per the Local Government (Financial Provisions etc.) (Scotland) Act 1962. Discretionary reliefs can be set by local authorities using discretionary powers to help support businesses within the local area. By using these powers, the council is fulfilling its strategic priorities by supporting local businesses and their communities.

In addition to the current mandatory and discretionary reliefs, which an award may also be considered for eligible ratepayers within the Investment Zone, use of the council's discretionary powers under Section 3A of the Local Government (Financial Provisions etc.) (Scotland) Act 1962, as amended by the Community Empowerment (Scotland) Act 2015 (Part 11) introduces the Non-Domestic Rates North East Scotland Investment Zone relief. This relief is entirely at the local authority's discretion.

The North East Scotland Investment Zone was designated by the UK and Scottish Governments in 2023. Investment Zones are part of the regional growth agenda, focused on high-growth clusters in priority sectors and built around strong partnerships between national, devolved, and local governments, academia, and the private sector. Non-Domestic Rates Investment Zone relief is one of a suite of reliefs and allowances available to incentivise companies to locate in designated tax sites, encouraging new occupation, new builds, and expansion into new or unused space.

2. Scope of Policy

Non-Domestic rates (NDR), often referred to as business rates are levied on non-domestic properties, subject to statutory exemptions and reliefs. Certain types of properties are statutorily exempt from NDR either through exclusion from the Valuation Roll or exempt from NDR liability. Other reliefs available are mandatory (they must be applied) and some are discretionary (i.e. local authorities have discretion as to their application). Mandatory and/or Discretionary reliefs, if applicable, will be awarded before any amount of Investment Zone relief is considered.

This policy applies to businesses introducing growth (using the primary measure of new jobs created) within the North East Scotland Investment Zone that may be eligible for Investment Zone (IZ) relief in line with the eligibility criteria set out in this policy, the intention being that this relief will support new businesses as well as existing businesses when they expand into new or unused space.

Under this policy, IZ relief will only be considered for businesses operating in the green energy and digital technology sectors that have been approved as eligible through the Tax Site Investment Gateway Review process. Relocations without net gain from within the North East Investment Zone area are excluded from accessing IZ relief. The award of IZ relief awarded is entirely at the local authority's discretion.

IZ relief will prioritise those projects that drive growth resulting in an increase in Rateable Value and additional NDR income. As part of the Investment Zone policy, any such uplift in NDR income will be retained and re-invested, subject to Investment Zone governance and monitoring arrangements, to generate further growth and promote the Investment Zone's objectives.

The total value of IZ relief awarded will be reviewed on an annual basis to ensure sufficient funds are available to meet this cost. If at any time during the ten-year Investment Zone designation period funds are no longer available or are forecasted not to meet the total cost of the relief scheme, current awards of relief will be reviewed and consideration given to reduce or remove the relief available to all applicants to ensure the full cost of the scheme is met by the agreed funding provided by the Scottish Government.

3. Policy Principles & Equalities

This policy applies to ratepayers identified as generating growth (using the principle measures of new / improved floorspace and new jobs) within the Investment Zone tax site boundaries within Aberdeenshire.

- IZ relief will be available in specified tax sites within the North East Scotland Investment Zone. Businesses may be eligible for up to 100% IZ relief on certain properties and property improvements within these tax sites.
- Only businesses that have been approved through the Tax Site Investment Gateway Review process will be considered eligible for the relief.
- IZ relief must be applied for.
- Applications may be rejected where the ratepayer has outstanding debts due to the council.
- The relief may be available for up to five years within an investment window of ten years from the point at which the ratepayer becomes eligible for IZ relief. For the avoidance of doubt, tax site designation occurred on 26th February 2026 and will end on 25th February 2036.
- The council will review all applications for IZ relief and will request any information they deem reasonable to determine any award of IZ relief, including consulting with the Scottish Assessor.
- Applicants will be required to provide sufficient evidence to allow council eligibility and additionality.
- The council may refuse to award IZ relief, for instance where a ratepayer cannot substantiate their application or where forecasting additional rateable value and NDR income is not reasonably ascertainable by the council.
- The council will review all awards of IZ relief on a regular basis. In cases where the ratepayer is no longer eligible, relief will be removed from the appropriate date, liability corrected to reflect this change and any sums becoming due will be pursued.
- To avoid incentivising displacement, the council may reduce the award of IZ relief in cases where a ratepayer's occupation of a space arises in whole, or in part, from them vacating another space within the Aberdeenshire and Aberdeen City areas.
- Other reliefs may also apply and would be awarded, if applicable, prior to any IZ relief. Where an applicant is eligible for both IZ relief and a mandatory relief such as New & Improved Property relief, the mandatory relief will be awarded first with IZ relief being considered for the remainder of the five-year period.

- The council will consider whether connected companies, affiliated undertakings, parent/subsidiary companies or companies under common ownership or control should be treated as a single business for the purpose of awarding IZ relief.
- **New Build and New Occupation**
100% IZ relief is available on properties that become occupied for the first time within the Investment Zone timeframe. This covers:
 - Newly occupied new builds that have never been occupied. These builds may also qualify for 100% Business Growth Accelerator relief.
 - A newly occupied existing property i.e. occupied by a new business for the first time regardless of whether the property has been occupied previously. Or by an existing business providing the existing business is expanding into a separate further property in addition to the one(s) it already occupies in the Investment Zone.
- **New Part-property Occupation and Property Improvements**
100% IZ relief is available on properties.
 - Where the occupier of a property creates new space by expanding the property (e.g. builds an extension).
 - Where the occupier of a property newly occupies a previously unoccupied part of a property (e.g. newly occupies previously unoccupied rooms/floors in a property).
 - Where the occupier of a property makes new space useable through a property development or improvement (e.g. installation of a mezzanine or access/fire control improvements to bring an existing space into use).

IZ relief cannot be claimed on new part-property occupation or property improvements if:

- the expansion is merely into a part of a property that was already in use by a previous occupier.
- the improvement is to a space that prior to the IZ tax site designation, was already occupied and in use (e.g. general refurbishment/improvements e.g. heating and air conditioning).
- the expansion pre-dates the IZ tax site designation.

When reviewing any applications for IZ relief the council will look to prevent or minimise advantages from known NDR avoidance practices. From 1 April 2023, the Non-Domestic Rates (Miscellaneous Anti-Avoidance Measures) (Scotland) Regulations 2023 was introduced and Local Authorities can now make the owner, rather than the occupier liable for payment of rates, or disregard deliberate physical changes to the state of the property solely for the purpose of avoiding or reducing the rates liability. Where the Council considers that arrangements have been put in place to avoid or reduce NDR liability, relief may be refused, withdrawn or reviewed, subject to the relevant statutory provisions and decision-making process.

In cases where the ratepayer has provided incorrect information for the purpose of avoiding or reducing rates liability, liability will be corrected and any relief awarded will be removed and any sums becoming due will be pursued.

All Local Authorities must have regard for the Subsidy Control Act 2022 and other relevant agreements. Under the Scottish Investment Zones Subsidy Scheme, any IZ relief awards made in accordance with this guidance are considered a subsidy.

4. Supporting Policies and Documents

[The Non-Domestic Rates \(Miscellaneous Anti-Avoidance Measures\) \(Scotland\) Regulations 2023](#)

[Local Government \(Financial Provisions etc.\) \(Scotland\) Act 1962](#)

[Community Empowerment \(Scotland\) Act 2015](#)

[Maps of North East of Scotland Investment Zone tax sites - GOV.UK](#)

[Investment Zones in Scotland: Technical document - GOV.UK](#)

[Local Government Finance Circular 9/2026:Investment Zones Non-Domestic Rates relief and income retention](#)

5. Council Strategic Priorities

Pillar	Priority	How does the policy reflect the Council's strategic Priorities?
A sustainable economy	We will support a strong and diverse economy by attracting people of working age to our region, complementing our highly skilled local workforce.	This policy will help to encourage and retain inward investment into the region, and particularly our tax sites, which should support job creation and high value jobs and encourage people to either stay in Aberdeenshire or move to Aberdeenshire.
Connected communities	We will work with communities and partners to enhance the sense of connection among our places. This includes supporting communities to come up with innovative solutions to ensure our places are resilient and vibrant.	This policy will support promoting Aberdeenshire as a great place to live, work and play.
Living well locally	We will encourage and support our residents to lead healthy and active lives and contribute meaningfully to their communities. We will make proactive choices that will allow us to cater to the needs of our increasingly ageing population.	This policy will support more people to move or stay here as it will support the creation of high value jobs. This will support communities to be diverse and prosperous.



6. Policy Revision

Version Number	Revision Date	Committee Approval Date	Summary of Changes

7. Policy Distribution

Name	Designation	Organisation
Rob Simpson	Director of Business Services	Aberdeenshire Council
Alan Wood	Director of Environment & Infrastructure	Aberdeenshire Council
Laurence Findlay	Director of Education & Children's Services	Aberdeenshire Council
Leigh Jolly	Chief Officer, Health & Social Care Partnership	Aberdeenshire Council
Vicky Morris	Risk & Resilience Team	Aberdeenshire Council

[ENDS]