

Non-Domestic Rates

Non-Domestic Rates, or Business Rates, collected by local authorities are the way that those who occupy non-domestic property contribute towards the cost of local services. Under the business rates retention arrangements introduced from 1 April 2013, authorities keep a proportion of the business rates paid locally. This provides a direct financial incentive for authorities to work with local businesses to create a favorable local environment for growth since authorities will benefit from growth in business rates revenues. The money, together with revenue from council tax payers, revenue support grant provided by the Government and certain other sums, is used to pay for the services provided by your local authority and other local authorities in your area.

Rateable Value

Apart from properties that are exempt from Business Rates, each non-domestic property has a rateable value which is set by the valuation officers of the Valuation Office Agency (VOA), an agency of Her Majesty's Revenue and Customs. It draws up and maintains a full list of all rateable values, which are available on their website at www.voa.gov.uk. The rateable value of your property is shown on the front of your bill. This broadly represents the yearly rent the property could have been let for on the open market on a particular date. For the 2010 Valuation List this date was set as 1 April 2008.

The valuation officer may alter the value if circumstances change. The ratepayer (and certain others who have an interest in the

property) can appeal against the value shown in the list if they believe it is wrong. Further information on the grounds for making an appeal and the process for doing so can be found on the VOA website or from your local valuation office.

Rating Advisers

Ratepayers do not have to be represented in discussions about their rateable value or their rates bill. Appeals against rateable values can be made free of charge. However, ratepayers wishing to be represented should be aware that members of the Royal Institution of Chartered Surveyors (RICS – website www.rics.org) and the Institute of Revenues Rating and Valuation (IRRV – website www.irrv.org.uk) are qualified and are regulated by rules of professional conduct designed to protect the public from misconduct. Before you employ a rating adviser, you should check that they have the necessary knowledge and expertise, as well as appropriate indemnity insurance. Take great care and, if necessary, seek further advice before entering into any contract.

National Non-Domestic Rating Multiplier

The local authority works out the Business Rate bill by multiplying the rateable value of the property by the appropriate multiplier. The Government sets the multipliers for each financial year for the whole of England. The 2014/15 multipliers are:

Standard non-domestic rating multiplier £0.482

Small business rate multiplier £0.471

Revaluation 2010 and Transition

All rateable values are reassessed every five years at a general revaluation to ensure bills paid by any one ratepayer reflect changes over time in the value of their property relative to others. The current rating list is based on the 2010 revaluation. Subject to the necessary legislation the next revaluation will be postponed until 2017, from when five yearly revaluations will recommence. Revaluation does not raise extra money for Government.

For those that would otherwise see significant increases in their rates liability, the Government has put in place a £2 billion transitional relief scheme to limit and phase in those increases. To help pay for the limits on increases in bills, there also have to be limits on reductions in bills. Under the transition scheme, limits continue to apply to yearly increases and decreases until the full amount is due. The scheme applies only to the bill based on a property at the time of the revaluation. If there are any changes to the property after 1st April 2010, transitional arrangements will not normally apply to the part of a bill that relates to any increase in rateable value due to those changes.

Changes to your bill as a result of other reasons (for example changes to the amount of small business rate relief) are not covered by the transitional arrangements.

The transitional scheme is applied automatically and the result shown on your bill. Further information about transition and other reliefs may be obtained from Mole Valley District Council or the website www.businesslink.gov.uk. More information on revaluation 2010 can be found at www.voa.gov.uk.

Unoccupied Property Rating

Business rates will not be payable in the first three months that a property is empty. This is extended to six months in the case of certain industrial properties. After this period rates are payable in full unless the unoccupied property rate has been reduced by the Government by order. In most cases the unoccupied property rate is zero for properties owned by charities and community amateur sports clubs. In addition, there are a number of other exemptions from the unoccupied property rate. Full details on exemptions can be obtained from your local authority.

The Government is introducing a new temporary measure for unoccupied new builds from October 2013. Unoccupied new builds will be exempt from unoccupied property rates for up to 18 months where the property comes into the valuation list between 1 October 2013 and 30 September 2016. The 18 month period includes the initial 3 or 6 month exemption.

Small Business Rate Relief

Ratepayers who are not entitled to another mandatory relief or are liable for unoccupied property rates and occupy a property with a rateable value which does not exceed £17,999 will have their bill calculated using the lower small business rate multiplier rather than the standard non-domestic rating multiplier.

In addition if the rateable value of the property does not exceed £11,999, the ratepayer may be entitled to a reduction in rates payable. This relief is available to

ratepayers who occupy either:

- (a) one property, or
- (b) one main property and other additional properties providing those additional properties each have a rateable value which does not exceed £2,599.

The rateable value of the property mentioned in (a), or the aggregate rateable value of all the properties mentioned in (b), must not exceed £17,999 on each day for which relief is being sought. If the rateable value, or aggregate rateable value, increases above this level, relief will cease from the day of the increase.

The Government has introduced additional support to small businesses. For those businesses that take on an additional property, which would normally have meant the loss of small business rate relief, the Government has confirmed that they will be allowed to keep that relief for a period of 12 months.

Ratepayers who satisfy these conditions will have the bill for their sole or main property calculated using the lower small business non-domestic rating multiplier and additional relief. If the sole or main property is shown on the rating list with a rateable value which does not exceed £11,999, the ratepayer will receive a percentage reduction in their rates bill for this property of up to a maximum of 100% for a property with a rateable value of not more than £6,000. If relief is granted, provided the ratepayer continues to satisfy the conditions for relief, they will not need to re-apply for relief in each new valuation period. Certain changes in circumstances will need to be notified to the local authority (other changes will be picked up by the local

authority). The changes which must be notified are:

- (a) the ratepayer taking up occupation of a property they did not occupy at the time of making their application for relief, and
- (b) an increase in the rateable value of a property occupied by the ratepayer in an area other than the area of the local authority which granted the relief.

Charity and Community Amateur Sports Club (CASC) Relief

Charities and registered CASC's are entitled to 80% relief where the property is occupied by the charity or the CASC, and is wholly or mainly used for the charitable purposes of the charity (or of that and other charities), or for the purposes of the CASC (or of that and other CASC's). The Council also has discretion to give relief on all or part of any rate bill for property occupied by certain non-profit making organisations.

Partly Occupied Property Relief

A ratepayer is liable for the full non-domestic rate whether a property is wholly occupied or only partly occupied. Where a property is partly occupied for a short time, the local authority has discretion in certain cases to award relief in respect of the unoccupied part.

Hardship Relief

The local authority has discretion to give relief in special circumstances.

Retail Discounts

The Government is giving funding to local