

Business rates demand notice

Explanatory notes 2021-22

Non-domestic rates

Non-domestic rates, or business rates, collected by local councils, 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, local authorities keep a proportion of the business rates paid locally. This provides a direct financial incentive for authorities to work with the local businesses to create a favourable local environment for growth since councils 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 in your area by Rushmoor Borough Council and Hampshire County Council. Further information about the business rates system, including transitional and other reliefs, is available at www.gov.uk/introduction-to-business-rates

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 (HMRC). They draw up and maintain a full list of all rateable values which is available 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 revaluation that came into effect on 1 April 2017, this date was set as 1 April 2015.

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. Full details on your rights of appeal are available from the VOA. Your billing authority can only backdate any business rates rebate to the date from which any change to the list is to have effect.

Further information about the grounds on which appeals may be made and the process for doing so can be found on www.voa.gov.uk

National non-domestic rating multiplier

We work out the business rates bill by multiplying the rateable value of the property by the appropriate multiplier. There are two – the standard non-domestic rating multiplier and the small business non-domestic multiplier. The former is higher to pay for small business rate relief. The Government sets the multipliers for each financial year for England according to formulae set by legislation, except in the City of London where special arrangements apply.

Ratepayers who occupy a property with a rateable value less than £51,000 and are not entitled to certain other mandatory reliefs will have their bills calculated using the small business non-domestic multiplier.

The multiplier for a financial year is based on the previous financial year's multiplier adjusted to reflect the Consumer Price Index (CPI) inflation figure for the September prior to the billing year. The current multipliers are shown on the front of your bill.

Business rates instalments

Payment of business rate bills is automatically set on a ten-monthly cycle. However, the government has put in place regulations that allow businesses to ask their local council to accept payments to be made through 12 monthly instalments. If you wish to do this, please contact the business rates team on **01252 398 331**.

Revaluations

All non-domestic property rateable values are reassessed at revaluations. The most recent revaluation took effect from 1 April 2017. Revaluations ensure that business rates bills are up to date, more accurately reflect current rental values and relative changes in rents. Frequent revaluations ensure the system continues to be responsive to changing economic conditions.

Business Rates Reliefs

Depending on individual circumstances, a ratepayer may be eligible for a rate relief (i.e. a reduction in your business rates bill). There are a range of available reliefs. Some of the permanent reliefs are set out below but temporary reliefs are often introduced by Government at Budgets. You should contact us for details on the latest availability of business rates reliefs and advice on whether you may qualify.

Further details on reliefs is also provided at www.gov.uk/introduction-to-business-rates and at www.rushmoor.gov.uk/businessrateshelp.

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 (CASCs). In addition, there are a number of exemptions from the unoccupied property rate. Full details on exemptions are available from us. If the unoccupied property rate for the financial year has been reduced by order, it will be shown on the front of your bill.

Partly occupied property relief

A ratepayer is liable for the full non-domestic rate if a property is wholly occupied or only partly occupied. Where a property is partly occupied for a short time, the council has discretion in certain cases to award relief for the unoccupied part. Full details are available at www.rushmoor.gov.uk/businessrateshelp

Small business rate relief

Ratepayers will automatically have their bills calculated using the small business multiplier, where the rateable value is less than £51,000. This will not apply to ratepayers who receive mandatory relief or those ratepayers liable for an unoccupied property rate.

In addition, generally, if the sole or main property is shown on the rating list with a rateable value which does not exceed £15,000, the ratepayer will receive a percentage reduction in their rates bill for this property up to a maximum of 100%. For a property with a rateable value of not more than £12,000, the ratepayer will receive a 100% reduction in their rates bill. This percentage reduction (relief) is only available to ratepayers who occupy either:

- a) *One property with a rateable value less than £15,000, or*
- b) *One main property and other additional properties providing those additional properties each have a rateable value, which is less than £2,900 each and the total rateable value of all properties is less than £20,000 outside London.*

If the rateable value, or total rateable value, increases above these levels, relief will stop from the day of the increase.

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

If the ratepayer and their property continue to satisfy conditions for relief, which apply at the relevant time, they will automatically continue to receive relief in each new valuation period. A ratepayer receiving relief needs to tell the council about certain changes in circumstances. These changes are:

- a) *The ratepayer taking up occupation of an additional property, and*
- b) *An increase in the rateable value of a property occupied by the ratepayer in an area other than the area of the council which granted the relief*

Other changes will be picked up by the council.

Charity and community amateur sports club (CASC) relief

Charities and registered community amateur sports clubs (CASCs) are entitled to 80% relief where the property is occupied by the charity or the CASC, and is wholly or mainly used for charitable purposes of the charity (or that and other charities), or for the purposes of the CASC (or of that and other CASCs).

We have discretion to give further relief on the remaining bill. Full details are available at www.rushmoor.gov.uk/businessrateshelp

Relief for organisations not established or conducted for profit

We have discretion to give relief to non-profit making organisations. Full details are available at www.rushmoor.gov.uk/businessrateshelp

Hardship relief and local discounts

We have discretion to give relief in special circumstances. Full details are available at www.rushmoor.gov.uk/businessrateshelp

Transitional Rate Relief

At a revaluation, some ratepayers will see reductions or no changes to their bills whereas some will see increases.

Transitional relief schemes are introduced at each revaluation to help those facing increases. This relief has been funded by limiting the reduction in bills for those who have benefitted from the revaluation. Transitional relief is applied automatically to bills. Further information about transitional arrangements and other reliefs is also provided at www.gov.uk/introduction-to-business-rates and at www.rushmoor.gov.uk/businessrateshelp.

State aid

The award of such discounts is considered likely to amount to state aid. However it will be state aid compliant where it is provided in accordance with the EC regulation No 1407/2013 (de minimis aid regulations). The regulations allow an undertaking to receive up to £175,000 (€200,000) aid over a rolling three year period. If you are receiving, or have received, any de minimis aid granted during the current or two previous financial years (from any source), you should inform us immediately with details of the aid received.

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 who do wish 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.

Information supplied with demand notices

Financial information about the council is available at www.rushmoor.gov.uk/financialinformation. A printed copy is available on request by writing to the council or by calling **01252 398 331** or emailing localtax@rushmoor.gov.uk