



**Forest of Dean**  
— DISTRICT COUNCIL —

## **Business Rates – 2021/22 Explanatory Notes**

### **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 1st 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 favourable 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 local authorities in your area. Further information about the business rates system, including transitional and other reliefs, may be obtained at [www.gov.uk/introduction-to-business-rates](http://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. They draw up and maintain a full list of all rateable values, available at [www.gov.uk/voa](http://www.gov.uk/voa). 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 1st April 2017, this date was set as 1st 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 Valuation Office Agency. 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 the VOA website [www.gov.uk/guidance/how-to-check-your-rateable-value-is-correct](http://www.gov.uk/guidance/how-to-check-your-rateable-value-is-correct).

### **National Non-Domestic Rating Multiplier**

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

The current multipliers are shown on the front of your bill.

### **Business Rates Instalments**

Payment of business rate bills is automatically set on a 10-monthly cycle. However, the Government has put in place regulations that allow businesses to require their local authority to enable payments to be made through 12 monthly instalments. If you wish to take up this offer, you should contact the Council on 01594 812532 as soon as possible.

### **Revaluation 2017 and Transitional Arrangements**

All rateable values are reassessed at a general revaluation. The most recent revaluation took effect from 1st April 2017. Revaluations make sure each ratepayer pays their fair contribution and no more, by ensuring that the share of the national rates bill paid by any one ratepayer reflects changes over time in the value of their property relative to others. Revaluation does not raise extra money for Government.

Whilst the 2017 revaluation did not increase the amount of rates collected nationally, within this overall picture, the majority of ratepayers received a reduction or no change in their bill whereas some ratepayers saw increases.

A £3.6 billion transitional relief scheme limits changes in rate bills as a result of the 2017 revaluation. To help pay for the limits on increases in bills, there are also limits on reductions in bills. Under the transitional scheme, limits continue to apply to yearly increases and decreases until the full amount is due (rateable value times the appropriate multiplier). 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 2017, 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 (such as changes to the amount of small business rate relief) are not covered by the transitional arrangements. The transitional arrangements are applied automatically and are shown on the front of your bill. Further information about transitional arrangements and other reliefs may be obtained from the Council or found at [www.gov.uk/introduction-to-business-rates](http://www.gov.uk/introduction-to-business-rates).

More information on the 2017 revaluation can be found at [www.gov.uk/introduction-to-business-rates/revaluation](http://www.gov.uk/introduction-to-business-rates/revaluation)

### **Revaluation 2023**

Providing your rental information ensures the business rates you pay are accurate. It takes less than 30 minutes to make sure your business rates are accurate. You can find out more by visiting [www.gov.uk/government/news/providing-rental-information-for-revaluation-2023](http://www.gov.uk/government/news/providing-rental-information-for-revaluation-2023).

### **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 exemptions from the unoccupied property rate. Full details on exemptions can be obtained from your local authority. 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 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. Full details can be obtained from the local authority.

### **Small Business Rate Relief**

Ratepayers who occupy a property with a rateable value which does not exceed £50,999 (and who are not entitled to other mandatory relief or are liable for unoccupied property rates) will have their bills calculated using the lower small business non-domestic rating multiplier, rather than the national non-domestic rating multiplier.

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 of 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.

Generally, this percentage reduction (relief) is only 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 £2,899.

The rateable value of the property mentioned in (a), or the aggregate rateable value of all the properties mentioned in (b), must not exceed £19,999 outside London or £27,999 in London on each day for which relief is being sought. If the rateable value, or aggregate rateable value, increases above those levels, 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.

Where a ratepayer meets the eligibility criteria and has not received the relief they should contact their local authority. Provided the ratepayer continues to satisfy the conditions for relief which apply at the relevant time as regards the property and the ratepayer, they will automatically continue to receive relief in each new valuation period.

Certain changes in circumstances will need to be notified to the local authority by a ratepayer who is in receipt of relief (other changes will be picked up by the local authority). The changes which should be notified 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 local authority which granted the relief.

### **Charity and Community Amateur Sports Club Relief**

Charities and registered Community Amateur Sports Clubs are entitled to 80% relief where the property is occupied by the charity or the club, 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 club (or of that and other clubs).

The local authority has discretion to give further relief on the remaining bill. Full details can be obtained from the local authority.

### **Relief for Local Newspapers**

The Government is providing funding to local authorities so that they can provide a discount worth up to £1,500 a year for 2 years from 1st April 2017, to office space occupied by local newspapers. At the Autumn Budget 2018, the Government extended the scheme for an additional year (2019/20). The Government have extended this relief for a further 5 years until 31 March 2025. This is up to a maximum of one discount per local newspaper title and per hereditament, and up to state aid limits. The relief will be delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act 1988). Eligibility criteria for this relief is set out in a guidance note: "The case for a business rates relief for local newspapers", which can be obtained at [www.gov.uk/government/consultations/the-case-for-a-business-rates-relief-for-local-newspapers](http://www.gov.uk/government/consultations/the-case-for-a-business-rates-relief-for-local-newspapers) .

### **Spring Budget 2017 Relief Scheme: Supporting Small Business**

Ratepayers losing Small Business or Rural Rate Relief as a result of the 2017 revaluation will have their increases limited to the greater of either (i) a cash value of £600 per year, or (ii) the matching cap on increases for small properties in the transitional relief scheme. This relief will run for 5 years to 31st March 2022 and ratepayers will receive the relief until this date or they reach what their bill would have been within the relief scheme, whichever is first.

This relief will be delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act 1988). Further information can be obtained from your local authority.

### **Local Discounts**

Local authorities have a general power to grant discretionary local discounts. Full details can be obtained from the local authority.

### **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 De Minimis Regulations EC 1407/2013. The De Minimis Regulations allow an undertaking to receive up to €200,000 'de minimis' 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 the local authority immediately with details of the aid received.

### **Hardship Relief**

The local authority has discretion to give hardship relief in specific circumstances. Full details can be obtained from the local authority.

### **Rate relief for businesses in rural areas**

Certain types of properties in a rural settlement with a population below 3,000 may be entitled to relief. The property must be the only general store, the only post office or a food shop and have a rateable value of less than £8,500, or the only public house or the only petrol station and have a rateable value of less than £12,500. The property has to be occupied. An eligible ratepayer is entitled to relief at 50% of the full charge whilst the local authority also has discretion to give further relief on the remaining bill. The 2016 Autumn Statement confirmed the doubling of rural rate relief from 50% to 100% from 1st April 2017. Local authorities will be expected to use their local discount powers to grant 100% rural rate relief to eligible ratepayers from 1st April 2017. Full details can be obtained from the local authority.

## **Rating advisers**

Ratepayers do not have to be represented in discussions about their rateable value or their rates bill. 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](http://www.rics.org)) and the Institute of Revenues, Rating and Valuation (IRRV - website [www.irrv.org.uk](http://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**

Information relating to the relevant and previous financial years in regard to the gross expenditure of the local authority is available at [www.fdean.gov.uk](http://www.fdean.gov.uk) . A hard copy is available on request by writing to the council or by telephoning 01594 812532.