

NON-DOMESTIC RATES 2008/2009

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. Except in the City of London where special arrangements apply, the rates are pooled by central government and redistributed to local authorities as part of the annual formula grant settlement. 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, available on their website at www.voa.gov.uk.

The rateable value of your property is shown on the front of this 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 2005, this date was set as 1 April 2003.

The valuation officer may alter the value if circumstances change. The ratepayer (and certain others who have an interest in the property) can also appeal against the value shown in the list if they believe it is wrong. Further information about the grounds on which appeals may be made and the process for doing so can be found on the VOA website or from your local valuation office.

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. The Government sets the multipliers for each financial year for the whole of England, except in the City of London where special arrangements apply, according to formulae set by legislation. The multipliers change each year in line with inflation and to take account of the cost of small business rate relief. In the year of a revaluation the multipliers are set at a level which will keep the total amount raised in rates after the revaluation the same as before, plus inflation for that year. The current multipliers are shown on the front of this bill.

Transitional Arrangements

Property values normally change a good deal between each revaluation. Transitional arrangements help to phase in the effects of these changes by limiting increases in bills. 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 (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 1 April 2005, transitional arrangements will not normally apply to the part of a bill that relates to any increase in rateable value due to those changes. Any transitional adjustments are shown on the front of this bill.

Further information about transitional arrangements and other reliefs may be obtained from Suffolk Coastal District Council or the website www.mybusinessrates.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 exemptions from the empty rate. Full details on exemptions can be obtained from the local authority. If the unoccupied property rate for the financial year has been reduced by order, it will be shown on the front of this 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

This relief is only available to ratepayers who apply to their local authority and who occupy either -

- (a) one property, or
- (b) one main property and other additional properties providing those additional properties each have a rateable value of less than £2,200.

The rateable value of the property mentioned in (a), or the aggregate rateable value of all properties mentioned in (b), must be under £15,000 outside London or £21,500 in London on 1st April in the financial year in question, on the day for which relief is sought, and each intervening day. If the rateable value, or aggregate rateable value, increases above those levels, relief will cease from the day of increase.

Ratepayers who satisfy these conditions will have the bill for their single or main property calculated using the lower small business non-domestic rating multiplier rather than the ordinary non-domestic rating multiplier that is used to calculate the liability of other businesses.

In addition, if the single or main property is shown on the rating list with a rateable value of up to £10,000, the ratepayer will receive a percentage reduction in their rates bill for this property of up to a maximum of 50% for a property with a rateable value of not more than £5,000.

If an application for relief is granted, provided the ratepayer's circumstances do not change, the application will not need to be renewed until the next revaluation of non-domestic premises, which happens every five years. Certain changes in circumstances will need to be notified to the local authority by the ratepayer (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.

Notification of these changes must be given to the local authority within 4 weeks of the day after the day the change happened. If this happens, there will be no interruption to the ratepayer's entitlement to the relief. A notification that the ratepayer has taken up occupation of an additional property must be by way of a fresh application for relief; notice of an increase in rateable value must be given in writing.

Full details on the eligibility criteria and on how to apply for this relief are available from the local authority.

Charity and Registered 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 Club and is wholly or mainly used for charitable purposes or as a Registered Community Amateur Sports Club. The local authority has discretion to give further relief on the remaining bill. Full details can be obtained from the local authority.

Non-Profit Making Organisation Relief

The local authority has discretion to give relief to Non-Profit Making Organisations. 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 £7,000, or the only public house or the only petrol station and have a rateable value of less than £10,500. 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.

In addition, the local authority can give relief on certain other occupied property in a rural settlement where the rateable value is less than £14,000. Full details can be obtained from the local authority.

Hardship Relief

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