

Non-Domestic Rates

Explanatory Notes 2018/19

Borough Council of
King's Lynn &
West Norfolk



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 local 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.

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. The VOA draw up and maintain a full list of all rateable values, available at www.gov.uk/government/organisations/valuation-office-agency. 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. You (and certain others who have an interest in the property) can appeal against the value shown in the list if you believe it is wrong. Full details on appeal rights are available from the Valuation Office Agency. We 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 www.gov.uk website or obtained from your local Valuation Office.

National Non-Domestic Rating Multiplier

We work out business rates bills by multiplying the rateable value of a 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 request us to allow payments to be made through 12 monthly instalments. To take up this offer, please contact us as soon as possible.

Revaluation 2017 and Transitional Arrangements

All rateable values are reassessed at a general revaluation. The most recent 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 a 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 us or 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.

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 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

You will be 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, we have discretion in certain cases to award relief in respect of the unoccupied part. Full details can be obtained from our website.

Small Business Rate Relief

If you are not entitled to another mandatory relief and occupy a property with a rateable value which does not exceed £50,999 you will have your bill calculated using the small business non-domestic rating multiplier, rather than the standard non-domestic rating multiplier.

In addition, generally, if your sole or main property is shown in the rating list with a rateable value which does not exceed £15,000, you will receive a percentage reduction on your 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, you will receive a 100% reduction on your rates bill.

Generally, this percentage reduction (relief) is only available if you occupy either;

- a. One property only, or
- b. A main property only where additional properties are occupied that 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. If you take on an additional property which would normally have meant the loss of small business rate relief, the Government has confirmed that the relief can be retained for a period of 12 months on the original property.

Where you meet the eligibility criteria and do not receive the relief, you should contact us. Provided you continue to satisfy the conditions for relief which apply at the relevant time as regards the property and the ratepayer, you will automatically continue to receive relief.

Certain changes in circumstances will need to be notified to us where you are in receipt of relief. The changes which should be notified are:

- (a) Taking up occupation of an additional property, and;
- (b) An increase in the rateable value of a property occupied by you in an area other than the area of the local authority which granted the relief.

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. You may be entitled to relief at 50% of the full charge, whilst we also have 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. While this is yet to be placed into legislation, we will use our local discount powers to grant 100% rural rate relief to eligible ratepayers from 1st April 2017. Full details can be obtained on our website.

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).

We have discretion to give further relief on the remaining bill. Full details can be obtained from our website.

Relief for Local Newspapers

The Government is providing funding so that we 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. 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

Spring Budget 2017 Relief Scheme: Supporting Small Business

If you lose Small Business or Rural Rate Relief as a result of the 2017 revaluation you will have 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 you will receive the relief until this date or you reach what the 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 us.

Spring Budget 2017 Relief Scheme: Discretionary Scheme (Revaluation Relief)

The government is providing £300 million of funding to all Local Authorities over 4 years to 31st March 2021 to provide discounts to ratepayers in our area on a discretionary basis.

Each authority has been allocated a share with which to design and implement a scheme to deliver targeted support to ratepayers. The £300m will cover the 4 years from 2017/18:

£175m in 2017/18; £85m in 2018/19; £35m in 2019/20 and £5m in 2020/21.

Local authority allocations can be found at: www.gov.uk/government/consultations/discretionary-business-rates-relief-scheme.

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 us.

Spring Budget 2017 Relief Scheme: Support for Pubs (Pub Relief)

The Government is providing funding for us to provide a £1,000 discount to pubs with a rateable value of below £100,000. This was to run for 2017/18 only; in the Autumn Statement, the Government extended the scheme for an additional year. Pubs with a rateable value of below £100,000 will also receive a £1,000 discount for 2018/19.

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 us.

Local Discounts

We have a general power to grant discretionary local discounts. Full details can be obtained from the website.

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), we should be informed immediately with details of the aid received.

Hardship Relief

We have discretion to give hardship relief in specific circumstances. Full details can be obtained from our website.

Rating advisers

You do not have to be represented in discussions about your rateable value or your rates bill. However, if you do wish to be represented you 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 a rating adviser is appointed, checks should be made to ensure that they have the necessary knowledge and expertise, as well as the 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 Council is available at www.west-norfolk.gov.uk. A hard copy is available on request by writing to us or by calling 01553 616200.