

Business Rates General Information

These explanatory notes have been published by the Ministry for Housing, Communities and Local Government (MHCLG), the Government department with responsibility for Business Rates.

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 favourable local environment for growth since authorities will benefit from growth in business rates revenues. The money, together with revenue from council taxpayers, 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, may be obtained 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. They comprise and maintain a full list of all rateable values, available at 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 current rating list that came into effect on 1 April 2017, this date was 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 also check and challenge the valuation shown in the list if they believe it is wrong.

Further information about the grounds on which challenges may be made and the process for doing so can be found on the VOA website- <https://www.gov.uk/guidance/how-to-check-your-rateable-value-is-correct>. If you would like to contact the Valuation Office Agency, their contact details are-

Tel: 03000 501501

E:mail: ratingcentral@voa.gsi.gov.uk

The Valuation Officer for New Forest District Council,
Durham Customer Service Centre, Wycliffe House, Green Lane, Durham, DH1 3UW

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 multiplier and the small business non-domestic multiplier. The Government sets the multipliers for each financial year.

Ratepayers who occupy a property with a rateable value which does not exceed £50,999 (and who are not entitled to certain other mandatory relief(s) or who are liable to pay unoccupied property rates) will have their bills calculated using the lower small business non-domestic rating multiplier, rather than the non-domestic rating multiplier. The multiplier for a financial year is based on the previous years' multiplier adjusted to reflect the Consumer Price Index (CPI) inflation figure for the September prior to the billing year. For the billing year commencing 1 April 2020, the standard multiplier is 51.2pence and the small business multiplier is 49.9pence.

BUSINESS RATES INSTALMENTS

Payment of business rate bills is automatically set on a 10-monthly cycle. However, if you prefer to pay by 12 monthly instalments, please contact New Forest District Council (the Council).

REVALUATIONS

All non-domestic rateable values are reassessed at 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.

BUSINESS RATE RELIEFS

Depending on individual circumstances, a ratepayer may be eligible for a rate relief (i.e. a reduction in your business rate bill). There are a range of available reliefs. Some of the permanent reliefs are set out below but temporary reliefs are often introduced by the Government at Budgets. You should contact the Council for details on the latest availability of business rate reliefs and advice on whether you may qualify. Further details on reliefs is also provided at www.gov.uk/introduction-to-business-rates or at www.newforest.gov.uk/businessrates.

SMALL BUSINESS RATE RELIEF

If a ratepayer's sole or main property has a rateable value which does not exceed £15,000, the ratepayer will receive a percentage reduction in their rates bill for this property. 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:-

- one property with a rateable value which does not exceed £14,999, or
- one main property and other additional properties providing those additional properties each have rateable value which does not exceed £2,899 and the aggregate rateable value of all properties must not exceed £19,999 outside London on each day for which relief is being sought.

For those businesses that take on an additional property which would normally have meant the loss of small business rate relief, they are allowed to keep that relief for a period of 12 months.

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 property falls vacant,
- (b) the ratepayer taking up occupation of an additional property, and
- (c) 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 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 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).

UNOCCUPIED PROPERTY RATING

Business Rates are generally payable in respect of unoccupied non-domestic property. However, they are generally not payable for 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. Full details on exemptions can be obtained from www.gov.uk/apply-for-business-rate-relief or from www.newforest.gov.uk/businessrates.

LOCAL DISCOUNTS AND HARDSHIP RELIEF

Local authorities have a general power to grant discretionary local discounts and to give hardship relief in specific circumstances. Further information can be obtained from the Council.

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 100% of the full charge.

RETAIL DISCOUNT

At Autumn Budget 2018, the Government announced a discount for eligible retail businesses with a rateable value less the £51,000 up to state aid limits. This scheme will run for two years from April 2019. This discount will be applied to the bill after the application of any reliefs, excluding any local discounts. For the 2019/20 financial year the reduction is one-third of the bill and for the 2020/21 financial year the reduction has increased to 50% of the bill.

STATE AID

The award of discounts is considered likely to amount to state aid. However, it will be 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 EUR 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.

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/uk/ 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

Information relating to the relevant and previous financial years in regard to the gross expenditure of the local authority is available at www.newforest.gov.uk/counciltax