

EXPLANATORY NOTES

NON-
DOMESTIC
RATES



2016
/17

Please keep this booklet as a useful guide

www.sutton.gov.uk/businessrates



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 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. The Government sets the multipliers for each financial year for the whole of England according to the formulae set by legislation. 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. They 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 1 April 2010, this date was set as 1 April 2008.

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.

The Valuation Office Agency will continue to fulfil their legal obligations to alter rating assessments if new information comes to light indicating the valuation is inaccurate. Any alterations they make on or after 1 April 2016 can only be backdated to 1 April 2015.

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

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 us by email businessrates@sutton.gov.uk as soon as possible.

Revaluation 2017

All rateable values are reassessed at a general revaluation to ensure bills paid by any one ratepayer reflect changes over time in the value of their property relative to others. This helps maintain fairness in the rating system by updating valuations in line with changes in the market. The current rating list is based on the 2010 revaluation. The Government has confirmed that the next revaluation will take place in 2017 based on rental values at 1 April 2015. More information on revaluation 2017 can be found at:

www.gov.uk/government/organisations/valuation-office-agency

In the year of revaluation the multipliers are rebased to account for overall changes to total rateable value and to ensure that the revaluation does not raise extra money for Government. Similarly, the change in the revaluation date to 2017 has no effect on the total amount of revenue raised from business rates.

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.

The Government has introduced a temporary measure for unoccupied new builds from October 2013. Unoccupied new builds will be exempt from unoccupied property rates for up to 18 months (up to state aid limits) where the property comes on to the list between 1 October 2013 and 30 September 2016. The 18 month period includes the initial 3 or 6 month exemption and so properties may, if unoccupied, be exempt from non-domestic rates for up to an extra 15 or 12 months.

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 at www.sutton.gov.uk/businessrates

Small Business Rate Relief

Ratepayers who are not entitled to other mandatory relief or are liable for unoccupied property rates and occupy a property with a rateable value which does not exceed £17,999 outside London or £25,499 in London will – subject to a small number of exemptions - 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 £12,000, the ratepayer will receive a percentage reduction in their rates bill for this property of up to a maximum of 50 per cent for a property with a rateable value of not more than £6,000. The Government has announced, in the Autumn Statement

2015, that the doubling of the usual level of relief - to a maximum of 100 per cent - will continue for a further year, until 31 March 2017.

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 £2,599.

The rateable value of the property mentioned in (a), or the aggregate rateable value of all the properties mentioned in (b), must not exceed £17,999 outside London or £25,499 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.

An application for Small Business Rate Relief is not required. 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 per cent 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 at www.sutton.gov.uk/businessrates

Local Discounts

Local authorities have a general power to grant discretionary local discounts. Full details can be obtained at www.sutton.gov.uk/businessrates

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 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 us immediately via email businessrates@sutton.gov.uk 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 www.sutton.gov.uk/businessrates

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

Information relating to the relevant and previous financial years in regard to the gross expenditure is available at www.sutton.gov.uk/businessrates

A hard copy is available on request by writing to the council or by telephone on **020 8770 5000**.

Business Rate Supplements

The Business Rate Supplements Act 2009 enables levying authorities - county councils, unitary district councils and, in London, the Greater London Authority - to levy a supplement on the business rate to support additional projects aimed at economic development of the area.

Business Rate Supplements (BRS) are not applicable to properties with a rateable value of £50,000 or below, and authorities have discretion to increase that threshold. The total maximum BRS which may be levied by a levying authority is 2p per pound of rateable value. Levying authorities have the power to apply such reliefs to the BRS as they think appropriate and in such cases must include an explanation of the rules for the application of those reliefs in the final prospectus for the BRS.

The business rate supplement applicable in London is being levied

by the Greater London Authority in relation to the Crossrail project. Further information may be found in the Crossrail BRS final prospectus which is available at www.london.gov.uk/crossrail-brs

How to pay your business rates

You don't even have to leave your work place!

There are lots of ways to contact the council to pay your bills or report issues which are hassle-free and will help you save time.

Many of these are available 24 hours a day, 7 days a week.



Set up a direct debit
www.sutton.gov.uk/directdebit



Call the 24 hour automated payment line – **020 8770 7887**



Go online –
www.sutton.gov.uk/payforit

My Account makes it easy

You can:

- See your Business Rates account online
- Receive future bills via email
- See a full statement of your account
- See the instalments still to be paid
- Get reliefs and exemption details
- Get a PDF version of your business rates bill

Your account details are held securely, so you will need to register for an online account. Visit www.sutton.gov.uk and click on the 'My Account' button to join up.

MyAccount Online

Save time
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