

## GENERAL 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. The money, together with revenues from council taxpayers, locally generated income and grants from Central Government, 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: <https://www.gov.uk/introduction-to-business-rates> and [www.rossendale.gov.uk/nndr](http://www.rossendale.gov.uk/nndr)

### 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 ratepayers 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 Rossendale Borough Council.

### National Non-Domestic Rating Multiplier

Rossendale Borough Council 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, except in the City of London where special arrangements apply.

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 are liable for unoccupied property rates) will have their bills calculated using the lower small business non-domestic multiplier, rather than the national non-domestic rating multiplier.

The multiplier for a financial year is based on the previous year's multiplier adjusted to reflect the Consumer Price Index (CPI) inflation figure for the September prior to the billing year. The current multipliers are shown on the front of your bill.

### 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 compile 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 specified in legislation. For the current rating list, this date was set at 1<sup>st</sup> 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. Further information about the grounds on which challenges 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).

### Revaluations

All rateable values are reassessed at revaluations. The most recent revaluation took effect from 1st April 2017. Revaluations ensure that business rate bills are up to date, more accurately reflect current rental values and relative changes in rents. Frequent revaluations ensure the system continues to be responsive to changing economic conditions.

## **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 your local authority

### *Small Business Rate Relief*

If a ratepayer's sole or main property has a rateable value which does not exceed an amount set out in regulations, the ratepayer may receive a percentage reduction in their rates bill for this property of up to a maximum of 100%. The level of reduction will depend on the rateable value of the property – for example eligible properties below a specified lower threshold will receive 100% relief, and you may receive partial tapered relief up to a specified upper threshold. The relevant thresholds for relief are set out in regulations and can be obtained from your local authority or at [www.gov.uk/introduction-to-business-rates](http://www.gov.uk/introduction-to-business-rates).

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 the limit set in regulations.

The aggregate rateable value of all the properties mentioned in (b), must also not exceed an amount set in regulations. For those businesses that take on an additional property which would normally have meant the loss of small business rate relief, they will be allowed to keep that relief for a fixed additional period. Full details on the relevant limits in relation to second properties and the current period for which a ratepayer may continue to receive relief after taking on an additional property can be obtained from [www.rossendale.gov.uk/nndr](http://www.rossendale.gov.uk/nndr) or at [www.gov.uk/introduction-to-business-rates](http://www.gov.uk/introduction-to-business-rates).

Certain changes in circumstances will need to be notified to the local authority by the 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 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).

Rossendale Borough Council has discretion to give further relief on the remaining bill. Full details can be obtained from Rossendale Borough Council.

### *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 other properties (for example industrial premises). Full details on exemptions can be obtained from Rossendale Borough Council or from gov.uk at <https://www.gov.uk/apply-for-business-rate-relief>.

### *Transitional Rate Relief*

At a revaluation, some ratepayers will see reductions or no change in their bill whereas some ratepayers will see increases.

Transitional relief schemes are introduced at each revaluation to help those facing increases. This relief has been funded by limiting the reduction in bills for those who have benefitted from the revaluation.

Transitional relief is applied automatically to bills. Further information about transitional arrangements and other reliefs may be obtained from Rossendale Borough Council or the website [www.gov.uk/introduction-to-business-rates](http://www.gov.uk/introduction-to-business-rates).

### *Local Discounts*

Local authorities have a general power to grant discretionary local discounts. Full details can be obtained from Rossendale Borough Council.

### **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 until the next revaluation in 2021 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 is delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act 1988). Further information can be obtained from Rossendale Borough Council.

### **Retail Discount**

At Autumn Budget 2018, the Government announced a one-third discount for eligible retail businesses with a rateable value of less than £51,000 up to state aid limits. This scheme will run for two years from April 2019 - March 2021. In January 2020 Government announced an increased retail discount, from one third to half or rates payable that will apply from 1 April 2020 – 31 March 2021.

The extension of the retail discount will also apply to eligible music venues and cinemas with a rateable value of less than £51,000.

This relief will be delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act 1988). Awards made will apply up to 31<sup>st</sup> March 2021 only. Further information can be obtained from Rossendale Borough Council.

### **Pub Relief**

Pub Relief will provide a £1,000 discount to eligible pubs with a rateable value of less than £100,000 in 2020/21. This is in addition to the retail discount.

This relief will be delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act 1988). Awards made will apply up to 31<sup>st</sup> March 2021 only.

### **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 Rossendale Borough Council 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](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.rossendale.gov.uk/finance](http://www.rossendale.gov.uk/finance)

A hard copy is available on request by writing to Rossendale Borough Council at PO Box 104, Futures Park, Bacup OL13 3BU or telephoning 01254 273899.