

National Non- Domestic Rate

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 revenue from council tax payers, locally generated income and grants 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/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 draw up 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, this date was set as 1st 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 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 website: www.gov.uk/guidance/how-to-check-your-rateable-value-is-correct

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. Except in the City of London where special arrangements apply, the Government sets the multipliers for each financial year. Normally 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 billing. However for 2021/22 the Government has decided to freeze the business rate multipliers and laid the necessary legislation (the Local Government Finance Act 1988 (Non Domestic Rating Multipliers) (England) Order 2021) to implement this freeze.

The current multipliers are shown on the front of your bill.
The standard multiplier is higher to pay for small business rate relief.

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 the Local Authority before 1st April. If you apply after this date, then instalments can only be extended to the following March, which is the end of the financial year.

Revaluations and Transitional Arrangements

All rateable values are reassessed at revaluations. The most recent revaluation took effect from 1st April 2017. Revaluations ensure that business rates bills are up-to-date and more accurately reflect current rental values and relative changes in rents. Frequent revaluations

ensure the system continues to be responsive to changing economic conditions. The next revaluation will take place in 2023.

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 reductions in bills for those who have benefited from the revaluation.

The transitional arrangements are applied automatically and are shown to the front of your bill. Further information about transitional arrangements and other reliefs may be obtained from Lancaster City Council or the website www.gov.uk/introduction-to-business-rates.

Business Rate Reliefs

Depending on individual circumstances, a ratepayer may be eligible for a rate relief (i.e. a reduction in your business rates 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 for details on the latest availability of business rates reliefs and advice on whether you may qualify. Further detail on reliefs is also provided at www.gov.uk/introduction-to-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. 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 or the website www.gov.uk/apply-for-business-rate-relief

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

Ratepayers who are not entitled to another mandatory relief and occupy a property with a rateable value which does not exceed £50,999 will have their bill 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 £15,000, the ratepayer will receive a percentage reduction in their 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.

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 £2,899.

In the second instance, the relief will only be applied to the main property but the charge on the additional properties will be based on the lower multiplier.

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.

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 period of 12 months. Further information can be found at www.gov.uk/introduction-to-business-rates

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 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).

The local authority has discretion to give further relief on the remaining bill. Full details can be obtained from the local authority.

Relief for Local Newspapers

The Government provided funding to local authorities so that they can provide a discount worth up to £1,500 a year on office space occupied by local newspapers. This was due to run for 2 years from 1st April 2017 and has since been extended to 2024/25. Guidance can be found at: www.gov.uk/government/consultations/the-case-for-a-business-rates-relief-for-local-newspapers

Spring Budget 2017 Relief Scheme: Support 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 2023 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 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 your local authority.

Expanded Retail Discount

At the 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 2 years from April 2019. In the Spring Budget 2020 the relief was increased from one-third to 100% in 2020/21 and extended to include leisure and hospitality sectors as well as eligible retail businesses and the rateable value limit was removed. This discount will be applied to the bill after the application of any reliefs, excluding any local discounts.

The Government has issued guidance on the operation of the scheme, which can be found at <https://www.gov.uk/government/publications/business-rates-retail-discount-guidance>

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 your local authority.

Nursery Discount 2020/21

On 18 March 2020 the Government announced that many childcare providers would pay no business rates in 2020/21. Guidance to local authorities on the implementation of the nursery relief has now been published at:

<https://www.gov.uk/government/publications/business-rates-nursery-childcare-discount-2020-to-2021-coronavirus-response-local-authority-guidance>

Spring Budget 2021 Business rates measures

The Government is providing additional business rates support for eligible retail, hospitality, leisure and nursery businesses in England occupying a qualifying property on a discretionary basis. The Expanded Retail Discount (2020/21) will be extended for 3 months only at 100% relief, uncapped for the period 1 April 2021 to 30 June 2021. From 1 July 2021 to 31 March 2022 the Expanded Retail Discount will apply at 66% relief for eligible properties in the scheme, with a cash cap of £2m for businesses that were required to close as at 5 January 2021, and up to £105,000 for businesses permitted to open at that date. The Nursery Discount will also be extended for 3 months only, at 100% uncapped for the period 1 April 2021 to 30 June 2021. From 1 July 2021 to 31 March 2022 the Nursery discount will apply at

66% relief for eligible properties, with a cash cap of £105,000. Businesses may opt out of support by providing billing authorities notification of their request to refuse support per eligible business.

The full guidance on the above schemes can be found:-

Expanded Retail Discount:- <https://www.gov.uk/government/publications/business-rates-expanded-retail-discount-2021-to-2022-local-authority-guidance/business-rates-expanded-retail-discount-2021-to-2022-local-authority-guidance>

Nursery Discount - <https://www.gov.uk/government/publications/business-rates-nursery-childcare-discount-2021-to-2022-local-authority-guidance/business-rates-nursery-childcare-discount-2021-to-2022-local-authority-guidance>

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 your local authority.

Local Discounts

Local authorities have a general power to grant discretionary local discounts. 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 £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 (50% being mandatory relief and 50% centrally funded discretionary relief)

Hardship Relief

The local authority has discretion to give hardship relief in specific 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. 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 of the local authority is available at www.lancaster.gov.uk/council-tax. A hard copy is available on request by writing to the council.