

## Non-domestic rates 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 1 April 2013, authorities keep a proportion of the business rates paid locally. The money, together with revenue 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 [www.gov.uk/introduction-to-business-rates](http://www.gov.uk/introduction-to-business-rates) and at [www.whitehorsedc.gov.uk/services-and-advice/business/business-rates](http://www.whitehorsedc.gov.uk/services-and-advice/business/business-rates).

### 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 the local authority as soon as possible.

### National Non-Domestic Rating Multiplier

The local authority works out the business rates bill for a property by multiplying the rateable value of the property by the appropriate non-domestic multiplier. There are two multipliers: the national non-domestic rating multiplier and the small business non-domestic rating multiplier. 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 rating multiplier, rather than the national non-domestic rating multiplier.

Both multipliers for a financial year are 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 unless a lower multiplier is set by the Government. 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 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 as 1 April 2021.

The Valuation Office Agency may alter the valuation 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.

To understand why your property has a certain rateable value, please go to GOV.UK and search: 'How business rates are calculated'.

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). You can contact the VOA at [www.gov.uk/contact-voa](http://www.gov.uk/contact-voa).

### Revaluations

All non-domestic property rateable values are reassessed at revaluations. The most recent revaluation took effect from 1 April 2023. 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.

### Business Rate Reliefs

Depending on individual circumstances, a ratepayer may be eligible for a rate relief (i.e. a reduction in their business rates bill). There are a range of available reliefs. Further details are provided below and at [www.gov.uk/introduction-to-business-rates](http://www.gov.uk/introduction-to-business-rates) or at [www.whitehorsedc.gov.uk/services-and-advice/business/business-rates](http://www.whitehorsedc.gov.uk/services-and-advice/business/business-rates).

### Temporary Reliefs

Some of the permanent reliefs are set out below but other temporary reliefs may be introduced by the Government at a fiscal event. Further detail on current temporary reliefs is available at [www.gov.uk/apply-for-business-rate-relief](http://www.gov.uk/apply-for-business-rate-relief). You should contact your local authority for details on the latest availability of business rates reliefs and advice on whether you may qualify.

### Small Business Rates Relief

If a ratepayer's sole or main property has a rateable value which does not exceed a set threshold, 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 with a rateable value below a specified lower threshold will receive 100% relief while eligible properties above the lower threshold and below a specified upper threshold may receive partial relief. The relevant thresholds for relief are set out by the Government by order 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 out by order.

The aggregate rateable value of all the properties mentioned in (b), must also not exceed an amount set by order. 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 your local authority 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).

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

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

### **Local Discounts and Hardship Relief**

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

### **Unoccupied Property Rate Relief**

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 premises, whilst certain other properties such as vacant listed buildings are not liable for business rates until they are reoccupied. Full details on exemptions can be obtained from your local authority or from [www.gov.uk/apply-for-business-rate-relief](http://www.gov.uk/apply-for-business-rate-relief).

### **Subsidy Control**

The new UK subsidy control regime commenced from 4 January 2023. The new regime enables public authorities, including devolved administrations and local authorities, to deliver subsidies that are tailored for local needs. Public authorities giving subsidies must comply with the UK's international subsidy control commitments. The subsidy control legislation provides the framework for a new, UK-wide subsidy control regime. Further information about subsidy control can be found on the gov.uk website at: <https://www.gov.uk/government/collections/subsidy-control-regime> .

### **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.

### **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 full 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 must be occupied. Full details can be obtained from the local authority.

### **Information Supplied with Demand Notices**

Financial information detailing how the amount of council tax has been calculated can be found on the council's website at [www.whitehorsedc.gov.uk/counciltax](http://www.whitehorsedc.gov.uk/counciltax), this includes information relating to spending by large town and parish councils. Hard copies of this information will be issued free of charge if requested in writing.