

Business Rates Information 2018-19



Non Domestic Rates (Business 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. 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.

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 1st April 2017, 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 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. Arun District Council 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.

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 in order to pay for small business rate relief. The Government sets the multipliers for each financial year for the whole of England according to formulae set by legislation.

The current multipliers will be shown on the front of the 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 (Apr-March). If you wish to take up this offer, you should contact the Revenues Section as soon as possible.

Revaluation 2017 and Transitional Arrangements

All rateable values are reassessed at a general 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. Revaluation does not raise extra money for Government.

Whilst the 2017 revaluation will not increase the amount of rates collected nationally, within this overall picture, over 7 out of 10 ratepayers will receive a reduction or no change in their bill and some ratepayers will see increases.

For those that would otherwise see significant increases in their rates liability, the Government has put in place a £3.6 billion transitional relief scheme to limit and phase in changes in rate bills as a result of the 2017 revaluation. To help pay for the limits on increases in bills, there also have to be limits on reductions in bills. Under the transitional scheme, limits continue to apply to yearly increases and decreases until the full amount is due (rateable value times the appropriate multiplier). The scheme applies only to the bill based on a property at the time of the revaluation. If there are any changes to the property after 1st April 2017, transitional arrangements

will not normally apply to the part of a bill that relates to any increase in rateable value due to those changes. Changes to your bill as a result of other reasons (such as changes to the amount of small business rate relief) are not covered by the transitional arrangements.

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

More information on the 2017 revaluation can be found at www.gov.uk/introduction-to-business-rates/revaluation.

Charity and Community Amateur Sports Club Relief (CASC)

Registered Charities and Community Amateur Sports Clubs are entitled to 80% mandatory relief where the property is occupied by the charity or club and is wholly or mainly used for charitable purposes or as a CASC.

The local authority has discretion to give further relief to Charities and non-profit making organisations. Full details can be obtained from the Revenues Section.

Hardship relief

The local authority has discretion to give relief in certain circumstances. Full details can be obtained from the Revenues Section.

Relief for local newspapers

The Government is providing funding to local authorities so that they can provide a discount worth up to £1,500 a year for 2 years from 1st April 2017, to office space occupied by local newspapers. This is up to a maximum of one discount per local newspaper title and per property, and up to state aid limits. The relief will be delivered through local authority discretionary discount powers.

Eligibility criteria for this relief is set out in a guidance note: 'The case for a business rates relief for local newspapers', which can be obtained at www.gov.uk/government/consultations/the-case-for-a-business-rates-relief-for-local-newspapers

Spring Budget 2017 Relief Scheme: 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 for 5 years to 31st March 2022 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.

Spring Budget 2017 Relief Scheme: Discretionary Scheme

The Government is providing £300 million of funding to local authorities over 4 years to 31st March 2021 to provide discounts to ratepayers in their area on a discretionary basis. Each authority has been allocated a share with which to design and implement a scheme to deliver targeted support to ratepayers. The £300m will cover the 4 years from 2017/18: £175m in 2017/18; £85m in 2018/19; £35m in 2019/20 and £5m in 2020/21. Local authority allocations can be found at: www.gov.uk/government/consultations/discretionary-business-rates-relief-scheme 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.

Spring Budget 2017 Relief Scheme: Support for Pubs

The Government is providing funding for local authorities to provide a £1,000 discount to pubs with a rateable value of below £100,000. This was to run for 2017/18 only; at Autumn Budget 2017, the Government extended the scheme for an additional year. Pubs with a rateable value of below £100,000 will also receive a £1,000 discount for 2018/19. 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.

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. These 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 the local authority immediately with details of the aid received.

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 the local authority. If the unoccupied property rate for the financial year has been reduced by order, it will be shown on the front of this bill.

Partly Occupied Property Relief

A ratepayer is liable for the Business Rates 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. Please contact the Revenues Section for further information.

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 charge.

In addition, the Council can give relief on certain other occupied properties in a rural settlement where the rateable value is less than £16,500 and the Council is satisfied that the use of the property benefits the local community. Full details can be obtained from the Revenues Section.

New Build Empty Properties

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 1st October 2013 and 30th 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.

Small Business Rate Relief

Ratepayers who occupy a property with a rateable value which does not exceed £50,999 (and who are not entitled to other mandatory relief 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.

In addition, 100% relief can be awarded on a property with a rateable value of £12,000 or less. Properties with rateable values between £12,001 and £15,000 will receive a tapered relief.

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.

The rateable value of the property mentioned in (a), or the aggregate rateable value of all the properties mentioned in (b), must not exceed £19,999 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.

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 the Business Rates Section. 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.

Ratepayers receiving Small Business Rate Relief that take on an additional property which would disqualify them from receiving the relief will continue to receive their existing relief for 12 months.

Rating advisers

Ratepayers do not have to be represented in discussions about their rateable value or their rates bills. However, ratepayers who do wish to be represented, should be aware that members of the Royal Institute of Chartered Surveyors (RICS www.rics.org.uk) and the Institute of Revenues Rating and Valuation (IRRV www.irrv.gov.uk) are qualified and are regulated by rules of professional conduct designed to protect the public from misconduct. Before you employ a rating advisor, you should check that they have the necessary knowledge and expertise, as well as the appropriate indemnity insurance. Take great care and, if necessary, seek further advice before entering into any contract.

Appeals

You can appeal against the rateable value of your Business Rated property at any point to the Valuation Office. Please note that you are required to pay your Business Rates bill until any appeal is settled. If your appeal is successful you will be entitled to a refund of any overpayment.

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.arun.gov.uk/financial-information. A hard copy is available on request by writing to the council or by telephoning 01903 737752.

Payments

Unless you have made alternative arrangements with the Revenues Section your bill will be divided into 10 monthly instalments provided it is issued on or before 30 April. The number of instalments will be reduced if your bill is issued from May onwards. If you wish to pay other than by monthly instalments, the following options are available:

- Two equal payments April and October 2017
- One lump sum in June 2017
- If you wish to pay your bill over 12 monthly instalments, then please contact the Revenues Section.

The reverse of your bill gives details on how and where your Business Rates may be paid.

Direct Debit



This is the most convenient way of paying bills as you only need to sign one instruction to your bank, which remains in force until you decide to cancel it. Please complete and return the instructions enclosed with your bill, choosing a payment date of either the 1st, 10th, 15th or 25th of each month. You will be given 10 working days notice prior to the first deduction. Alternatively we can accept your instruction quickly and easily over the phone by calling the Revenues Section or you can complete a direct debit instruction online by visiting www.arun.gov.uk.

The Council will notify you in advance each year of your new payment plan or if your payment changes for any reason throughout the year. If you already pay by Direct Debit the payment arrangements are shown at the bottom of your bill.

Frequently asked questions about Business Rates

What do my Business Rates pay for?

Arun District Council collects Business Rates from local businesses on behalf of the Government.

The money collected is paid into a central pool and then redistributed by the Government to West Sussex County Council, Sussex Police Authority and Arun District Council, in common with other authorities nationwide, each receive a share of this money. The money can then be used with other income, for example from Council Taxpayers and Revenue Support Grant provided by the Government to pay for Council Services.

I paid my Business Rates by Direct Debit last year. Do I need to sign a new Direct Debit instruction?

No, your Direct Debit instruction from last year will be carried forward to your new account. You can confirm this by looking at the payment details at the bottom of the bill. This section shows how you have chosen to pay, how much your new instalments will be and the dates they will be taken from your bank account.

Can I pay my instalments over 11 or 12 months instead of 10?

Yes, from 1st April 2014 Government has said that business rate payers can extend their payment arrangement. If you wish to take advantage of this then please contact the Revenues Section.

How can I appeal against my Rateable Value?

Please contact the Valuation Officer Agency (VOA) on 03000 501501 or www.voa.gov.uk for details.

How can I check the calculation of my Business Rates bill?

Please check Arun's website www.arun.gov.uk/businessrates where there are many examples of how a bill is calculated or go to www.gov.uk where further details can be obtained.

What happens to any personal data provided to the Council?

We keep and use personal data in accordance with the Data Protection Act 1998 so that we can deliver services and comply with our statutory obligations and duties. We will only share personal data when we are permitted, or required by law, to do so.

Contacting us

Telephone: Business Rates 01903 737752

Fax: 01903 725594

E-mail: revenues.benefits@arun.gov.uk

Address: Civic Centre
Maltravers Road
Littlehampton
West Sussex BN17 5LF

Hours: Monday to Thursday 8.45am - 5.15pm
Friday 8.45am - 4.45pm

or Bognor Regis Area Office
Town Hall
Clarence Road
Bognor Regis
West Sussex PO21 1LD

Hours: Monday, Tuesday
and Thursday 8.45am - 5.15pm
Wednesday 9.30am - 5.15pm
Friday 8.45am - 4.45pm

Did you know that Arun District Council has a Business Development Manager? For more information please call 01903 737845 or visit www.arun.gov.uk/business-development-support