

## 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 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 the website of your local council which is normally shown on your rate 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 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 your 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.

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 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 1st April 2015.

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. 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 non-domestic property 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, 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 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](http://www.gov.uk/introduction-to-business-rates) or at the website of your local council which is normally shown on your rate bill.

### *Small Business Rates 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 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.

#### *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 other properties (for example industrial premises or listed buildings). Full details on exemptions can be obtained from your local authority 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 the local authority 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 and to give hardship relief in specific circumstances. Full details can be obtained from the local authority.

#### State Aid

The award of discretionary reliefs 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 the local authority 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 or company 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.wandsworth.gov.uk/the-council/open-data-and-transparency/publication-scheme/what-we-spend-and-how-spend-it/](http://www.wandsworth.gov.uk/the-council/open-data-and-transparency/publication-scheme/what-we-spend-and-how-spend-it/).

#### 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. This power has also been extended to the mayors of Cambridgeshire and Peterborough, Liverpool City Region, West of England, and West Midlands combined authorities. 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/s as shown on your bill is / are being levied by Wandsworth Council in relation to BRS project/s. Further information may be found in the Crossrail BRS final prospectus which is available at

[www.london.gov.uk/crossrail-brs](http://www.london.gov.uk/crossrail-brs)

# GREATER LONDON AUTHORITY

## **What is Crossrail and how will it benefit your business?**

Crossrail is London's newest railway. It will connect the outer suburbs and Heathrow airport to the West End, City and Canary Wharf. As such, Crossrail is vital to the future of London's economy. The increased earnings it will bring – from new jobs and quicker journeys – will benefit businesses across London. It will be named the Elizabeth line in honour of Queen Elizabeth II.

Crossrail is the single largest investment in London's infrastructure for decades. It employed up to 14,000 people at the peak of construction. Work is continuing to complete the project and stations along the route as soon as possible. The section through central London is expected to open in 2022.

To find out more, visit [www.crossrail.co.uk](http://www.crossrail.co.uk), call the Crossrail 24 hr Helpdesk on 0345 602 3813 or email [helpdesk@crossrail.co.uk](mailto:helpdesk@crossrail.co.uk).

## **Developments in the funding of Crossrail**

The previous Mayor of London agreed a funding settlement with Government in 2010 for the Crossrail scheme. The Mayor and the Secretary of State for Transport agreed revised funding packages for Crossrail in December 2018 and November 2020.

## **How will London's businesses help fund Crossrail?**

In April 2012, the last Mayor introduced a Community Infrastructure Levy (CIL) on new developments in London to finance Crossrail. The developer pays this levy. Business ratepayers of larger properties have contributed through a special Crossrail Business Rate Supplement (BRS) since April 2010.

Under the current funding package, the GLA is expected to contribute around £6.9 billion towards Crossrail. This is financed through the CIL and BRS. The BRS will need to be levied until the GLA's Crossrail related borrowing is repaid. This is expected to around the late 2030s but no later than 2041, in line with the published Crossrail BRS prospectus. The policies for the BRS in 2021-22 remain unchanged from last year.

## **Does my business have to pay the Crossrail BRS?**

Your rates bill makes clear if you are liable to pay the BRS. It applies only to assessments (for example business and other non-domestic premises) with a rateable value above £70,000 in London. This threshold means that at least 85 per cent of the capital's non-domestic properties will be exempt in 2021-22.

## **How much do I pay if my property's rateable value is above £70,000?**

The Crossrail BRS multiplier for 2021-22 remains at 2p per pound of rateable value. Reliefs for the Crossrail BRS will apply on the same basis and at the same percentage rate as for your national non-domestic rates (NNDR) bill. However, there is no transitional relief scheme for the BRS.

## **Keeping you up to date**

We will give ratepayers an annual update over the lifetime of the BRS.

## **Contact for more information**

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