



## **Non-Domestic Rates**

General explanatory notes (2022-23)

### **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 from the [GOV.UK website](https://www.gov.uk) and on your [local council website](#).

### **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 on the [VOA website](#), 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](#).

## **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. The next revaluation is due on 01 April 2023.

## **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 on the [GOV.UK website](#) or on [Richmondshire's council website](#).

## **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 on the [GOV.UK website](#).

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 [GOV.UK](https://www.gov.uk).

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. Please email: [local.taxation@richmondshire.gov.uk](mailto:local.taxation@richmondshire.gov.uk) for further information.

### **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 Richmondshire District Council or from [GOV.UK](https://www.gov.uk).

### **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 Richmondshire District Council.

## **Relief for Local Newspapers**

You could get local newspaper relief if your property is used as office premises for journalists and reporters on a local newspaper. The relief is a £1,500 reduction in business rates for eligible properties per year.

You can only get the relief for one property per newspaper even if more than one property is used as offices for the newspaper. If several local newspapers use the same office, they can only get the relief on one newspaper title.

## **Extension of Transitional Relief for 2022/23**

The transitional relief scheme was introduced in 2017 to help those ratepayers who were faced with higher bills because of the revaluation. The scheme ends on 31 March 2022. The government announced an extension to the scheme for one year (2022/23) to coincide with the end of the current revaluation cycle. The scheme restricts increases in bills to 15% for businesses with small properties (up to and including £20,000 rateable value) and 25% for medium properties (up to and including £100,000 rateable value).

Unlike the existing statutory transition scheme which ends on 31 March 2022 where transitional relief is measured before all other reliefs, the extension of transitional relief into 2022/23 will be measured after other reliefs (including others such as RHL relief). This relief should be detailed on your 2022/23 account if you are eligible. If it is not showing but you think you may qualify, you should contact the Local Taxation Section on telephone number 01748 829100 or alternatively email [local.taxation@richmondshire.gov.uk](mailto:local.taxation@richmondshire.gov.uk).

Note: There is **NO** provision for Transitional Surcharge during 2022/23

## **Supporting Small Business Scheme (SSB)**

The introduction of the SSB scheme on 1 April 2017 ensured that ratepayers eligible to small business rate relief or rural rate relief during 2016/17 qualified for a limited increase in rates payable extending up to a five year period, or until they reached the charge they would have paid without the scheme. The SSB scheme has remained as it is in the current non-statutory scheme with a percentage cap in 2022/23 of 15% plus inflation (or a cash value increase of £600 if greater). This relief has been calculated in conjunction with the extended transitional relief scheme and should be detailed on your 2022/23 account if you are eligible. If it is not showing but you think you may qualify, you should contact the Local Taxation Section on telephone number 01748 829100 or alternatively email [local.taxation@richmondshire.gov.uk](mailto:local.taxation@richmondshire.gov.uk)

The extension of transitional relief and supporting small business (SSB) relief scheme is likely to amount to subsidy. Any relief provided by Local Authorities under this scheme will need to comply with the UK's domestic and international subsidy control obligations.

## **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).

## **Retail, Hospitality & Leisure Relief (RHLR)**

The 2022/23 retail, hospitality and leisure business rates relief scheme will provide eligible, occupied, retail, hospitality and leisure properties with a 50% relief, up to a cash cap limit of £110,000 per business. This relief should be detailed on your 2022/23 account if you are eligible. If it is not showing but you think you may qualify, you should contact the Local Taxation Section on telephone number 01748 829100 or alternatively email: [local.taxation@richmondshire.gov.uk](mailto:local.taxation@richmondshire.gov.uk) You should also contact us if you have been awarded the relief but you wish to refuse its award – you should inform us of this by 30 April 2023.

The RHLR scheme is likely to amount to subsidy. Any relief provided by Local Authorities under this scheme will need to comply with the UK's domestic and international subsidy control obligations.

## **COVID-19 Additional Relief Fund (CARF)**

The Government announced a new COVID-19 additional relief fund (CARF) of which Richmondshire District Council was allocated £631,864. The fund is available to support businesses affected by the pandemic but that were ineligible for existing support linked to business rates. Richmondshire District Council was responsible for designing a discretionary policy and eligible businesses will be able to apply for this relief via the council's website – [www.richmondshire.gov.uk](http://www.richmondshire.gov.uk). The relief relates only to **the financial year 2021/22**. Richmondshire District Council will issue a Press Release when the application process goes live. Any enquiries relating to an award of CARF relief should be directed to the Local Taxation Section by emailing [local.taxation@richmondshire.gov.uk](mailto:local.taxation@richmondshire.gov.uk)

## **Subsidy Controls**

Providing discretionary relief to ratepayers is likely to amount to a subsidy. Relief provided by Local Authorities will need to comply with the UK's domestic and international subsidy control obligations. It is your responsibility to check that you are eligible, by submitting an application or accepting an award of relief you are declaring that you are complying with and will not exceed the relevant permitted allowance thresholds. If you have any doubt as to your position, you must seek appropriate advice before applying/accepting as the responsibility lies with the business. Further information is available on the Gov.uk website [www.gov.uk/government/publications](http://www.gov.uk/government/publications) and searching for subsidy controls.

## **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) and the Institute of Revenues, Rating and Valuation (IRRV website) 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 on [Richmondshire District Council's website](#). A hard copy is available on request.