

### **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, local authorities keep a proportion of the Business Rates that are 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 Test Valley Borough Council and other local authorities in your area. Further information about the Business Rates system, including transitional and other reliefs, may be obtained at [www.gov.uk](http://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 on their website at [www.gov.uk/government/organisations/valuation-office-agency](http://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 VOA. Test Valley Borough Council can only backdate any business rates rebate to the date from which any change to the list is to have effect.

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](http://www.gov.uk) website or from your local valuation office:

Non-Domestic Rates South West  
2<sup>nd</sup> Floor Temple Quay House  
The Square  
Temple Quay  
Bristol BS1 6PN

Email: [ratingsouthwest@voa.gsi.gov.uk](mailto:ratingsouthwest@voa.gsi.gov.uk)  
Telephone: 03000 501501

### **National Non-Domestic Rating Multiplier**

The Council works out your 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 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 are shown on the front of this bill.

### **Business Rates Instalments**

Payment of Business Rate bills is automatically set on a 10-monthly cycle. However, if you prefer, payments can be made through 12 monthly instalments. If you wish to do this, you should contact Test Valley Borough Council 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, by ensuring that the share of the national rate 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 the Government.

Whilst the 2017 revaluation did not increase the amount of rates collected nationally, within this overall picture, the majority of ratepayers received a reduction or no change in their bill whereas some ratepayers saw increases.

A £3.6 billion transitional relief scheme limits changes in rates bills as a result of the 2017 revaluation. To help pay for the limits on increases in bills, there are also 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 revaluation. If there are changes to the property after 1<sup>st</sup> 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 Test Valley Borough Council or online at [www.gov.uk/introduction-to-business-rates/valuation](http://www.gov.uk/introduction-to-business-rates/valuation). More information on the 2017 revaluation can be found at [www.gov.uk/introduction-to-business-rates/revaluation](http://www.gov.uk/introduction-to-business-rates/revaluation).

### **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 Test Valley Borough Council. If the unoccupied property rate for the financial year has been reduced by order, it will be shown on the front of your bill.

Unoccupied properties with a rateable value of less than £2,900 will normally have a 100% exemption applied. This exemption will apply as long as the property remains vacant.

### **Partly Occupied Relief**

A ratepayer is liable for full Business Rates whether a property is wholly occupied or only partly occupied. Where a property is partly occupied for a short time, the Council has discretion in certain cases to award relief in respect of the unoccupied part. Full details can be obtained from Test Valley Borough Council.

### **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 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 sole or main property with a rateable value of not more than £12,000, the ratepayer will normally receive a 100% reduction in their rates bill.

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.

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.

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.

Where a ratepayer meets the eligibility criteria and has not received the relief they should contact the Council. 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 Council by a ratepayer who is in receipt of relief. 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

The above changes include occupied properties within Test Valley or in any other part of the country.

### **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 Council has discretion to give further relief on the remaining bill. Full details can be obtained from Test Valley Borough Council.

### **Local Newspaper Relief**

The government has introduced a scheme, effective for two years from 1<sup>st</sup> April 2017, which awards a discount of up to £1,500 on office space occupied by a local newspaper. There is a maximum of one discount per title and per property, and State Aid limits will apply. For more information, please contact the Council. More information relating to the introduction of this relief can be found at:

[www.gov.uk/government/consultations/the-case-for-a-business-rates-relief-for-local-newspapers](http://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](http://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 Test Valley Borough Council.

### **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 Test Valley Borough Council.

## **Local Discounts**

Local authorities have a general power to grant discretionary local discounts. Full details can be obtained from Test Valley Borough Council and at [www.testvalley.gov.uk/business/land/business-rates/reliefs/discretionary-rate-relief](http://www.testvalley.gov.uk/business/land/business-rates/reliefs/discretionary-rate-relief).

## **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 De Minimis Regulations EC 1407/2013. The De Minimis 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 year, or two previous financial years (from any source), you should inform the Council immediately with details of the aid received.

## **Hardship Relief**

The Council has discretion to give hardship relief in specific circumstances. Full details can be obtained from Test Valley Borough Council.

## **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 must be occupied. An eligible ratepayer is entitled to relief at 50% of the full charge whilst the Council also has discretion to give further relief on the remaining bill.

The 2016 Autumn Statement confirmed the doubling of rural rate relief from 50% to 100% from 1<sup>st</sup> April 2017. Test Valley Borough Council will apply 100% rural rate relief to properties that qualify for mandatory rural relief from this date. The Council also has discretion to award up to 100% relief to businesses in rural settlements that do not fit the above criteria but whose rateable value is less than £16,500.

Full details can be obtained from Test Valley Borough Council and at [www.testvalley.gov.uk/business/land/business-rates/reliefs/discretionary-rate-relief](http://www.testvalley.gov.uk/business/land/business-rates/reliefs/discretionary-rate-relief).

## **Rating Advisors**

Ratepayers do not have to be represented in discussions about their rateable value or their rates bill. Appeals against rateable values can be made free of charge. However, ratepayers who do wish to be represented should be aware that members of the Royal Institution of Chartered Surveyors (RICS – [www.rics.org.uk](http://www.rics.org.uk)) and the Institute of Revenues, Rating and Valuation (IRRV – [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 advisor, 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 Council is available at [www.testvalley.gov.uk](http://www.testvalley.gov.uk). A hardcopy is available on request to the Council.

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Revenues Service  
Beech Hurst  
Weyhill Road  
Andover  
SP10 3AJ**

**Website:** [www.testvalley.gov.uk](http://www.testvalley.gov.uk)  
**Email:** [businessrates@testvalley.gov.uk](mailto:businessrates@testvalley.gov.uk)  
**Telephone:** 01264 368000