

Business Rates

Explanatory Notes
2019/2020



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. 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 request a change to the value shown in the list if they believe it is wrong, through the reformed Check, Challenge, Appeal (CCA) process introduced in April 2017. Full details on the CCA process are available from the VOA or from www.gov.uk. Your billing authority 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 website or obtained from your local valuation office at www.voa.gov.uk.

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 to pay for small business rate relief. Except in the City of London where special arrangements apply, 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 your 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. If you wish to take up this offer, you should contact North East Derbyshire District 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 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.

A £3.6 billion transitional relief scheme limits changes in rate 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 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 North East Derbyshire District Council or the website 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.

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 North East Derbyshire District 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.

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 North East Derbyshire District 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 bills 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 property with a rateable value of not more than £12,000, the ratepayer will 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 aggregate rateable value of all the properties mentioned in (b) must not exceed £19,999 outside London or £27,999 in London 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.

The Government has introduced additional support to small businesses. For those businesses that take on an additional property which would normally have meant the loss of small business rate relief, the Government has confirmed that 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 North East Derbyshire District 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 North East Derbyshire District Council by a ratepayer who is in receipt of relief (other changes will be picked up by us). 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.

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 North East Derbyshire District Council.

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 on office space occupied by local newspapers. This was due to run for 2 years from 1st April 2017. At Autumn Budget 2018, the Government extended the scheme for an additional year (2019/20).

This scheme provides up to a maximum of one discount per local newspaper title and per hereditament, and up to state aid limits. The relief will be delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act 1988). 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 North East Derbyshire District Council.

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. Local authority allocations can be found at: <https://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 North East Derbyshire District Council.

Retail Discount

At Autumn Budget 2018, the Government announced a one-third discount for eligible retail businesses with a rateable value of less than £51,000, up to state aid limits. This scheme will run for two years from April 2019. This discount will be applied to the bill after the application of any reliefs, excluding any local discounts.

The Government has issued guidance on the operation of the scheme, which can be found at: <https://www.gov.uk/government/publications/business-rates-retail-discount-guidance>.

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 North East Derbyshire District Council.

Local Discounts

Local authorities have a general power to grant discretionary local discounts. Full details can be obtained from North East Derbyshire District 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 has to be occupied.

The 2016 Autumn Statement confirmed the doubling of rural rate relief from 50% to 100% from 1st April 2017. Local authorities will be expected to use their local discount powers to grant 100% rural rate relief to eligible ratepayers from 1st April 2017.

Full details can be obtained from North East Derbyshire District Council.

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. 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 or two previous financial years (from any source), you should inform North East Derbyshire District Council immediately with details of the aid received.

Hardship Relief

The local authority has discretion to give hardship relief in specific circumstances. Full details can be obtained from North East Derbyshire District Council.

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) and the Institute of Revenues, Rating and Valuation (IRRV - website 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.

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 the Council's website: www.ne-derbyshire.gov.uk

A hard copy is available on request by emailing: revenues@ne-derbyshire.gov.uk or by telephone on 01246 217114.

Appeals in respect of the 2017 Rating List

You can visit the VOA website to find and review your rateable value www.gov.uk/government/organisations/valuation-office-agency

If you have reason to believe that your 2017 rateable value is not correct, follow the instructions provided on the site. You will need to do the following.

CHECK - review and confirm the facts about your property held by the VOA.

CHALLENGE - once the facts are established, explain why you believe your valuation is wrong.

An appeal on your 2017 rateable value is not possible, and may not be necessary, until you have completed CHECK and CHALLENGE.

What will happen if I don't pay on time?

The process of recovering unpaid money is governed by legislation and is outlined below:

Reminder - Business Rates payments should be made in accordance with the instalment due date on your NNDR bill. If you fail to pay on time, we will send you a Reminder notice asking you to bring your account up to date within 7 days. If you are unable to make payment immediately, we may be able to agree alternative payment arrangements. If you fail to make contact and don't bring your account up to date, we will not issue any further reminders. You will lose your right to pay by instalments and we will take court action against you.

Final Notice - If you pay the amount required by the Reminder notice, and you are late with your payments again, you will lose the right to pay by instalments and you will be issued with a Final notice. This means that the remainder of your full yearly amount becomes due and payable. If you do not pay in full, we will take court action against you.

Summons - If you have failed to pay money owed on your account after a reminder has been sent to you, details of your account will be passed to the Recovery Section. At this stage we will issue a summons to appear at North East Derbyshire and Dales Magistrates Court. As a result, you will lose the right to pay by instalments and the summons will request that you pay the full outstanding balance, including an additional amount for court costs.

Arrangements - Once a summons has been issued, the Recovery Section will be happy to discuss making an arrangement for you to pay off your outstanding balance. This could be through a Direct Debit, three-monthly payments or based on your income and expenditure. We will still apply for a Liability Order with costs at the court hearing, but we will not take any further recovery action, as long as you keep to your arrangement.

Further Action - If you do not make an arrangement to pay, or fail to keep to the arrangement you have made, then the Recovery Section can take the following action: 1) pass your account to an enforcement agent's company to recover; you may be charged additional costs for this by the company 2) start insolvency proceedings 3) apply for your committal to prison 4) if you own your business premises we may apply to obtain a charging order.

Of course we would like to avoid all of these options, if at all possible, by making an acceptable arrangement with you. Please contact the Revenues Section on 01246 217114 or email revenues@ne-derbyshire.gov.uk.

How to contact us

North East Derbyshire District Council is your main source of information if you have any queries about your Business Rates bill.

You can contact us by telephone on **01246 217114** or email us at revenues@ne-derbyshire.gov.uk, or write to us at the following address:

**The Business Rates Section, North East Derbyshire District Council
District Council Offices, 2013 Mill Lane, Wingerworth, Chesterfield S42 6NG.**

Further information is available on our website www.ne-derbyshire.gov.uk

Self Service

Using Self Service will give you instant online access to view and manage your business rates account. Go to our website www.ne-derbyshire.gov.uk use the Business tabs at the top of the page. This will give you a link to Business rates. From here select Billing & Benefits Netime and then sign into or register your account. If you wish to know more, please call us on 01246 217600.

More information and useful contacts

More detailed information regarding business rates is available on www.gov.uk. The VOA also has a wide range of information on its website about your rateable value on www.voa.gov.uk. If you do not have access to the internet, you can contact the local valuation office by telephone on 03000 501501.

***We speak your
language***

Polish
***Mówimy Twoim
językiem***

French
***Nous parlons votre
langue***

Spanish
Hablamos su idioma

Slovak
***Rozprávame Vaším
jazykom***

Chinese
我们会说你的语言

**North East
Derbyshire
District Council** 

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