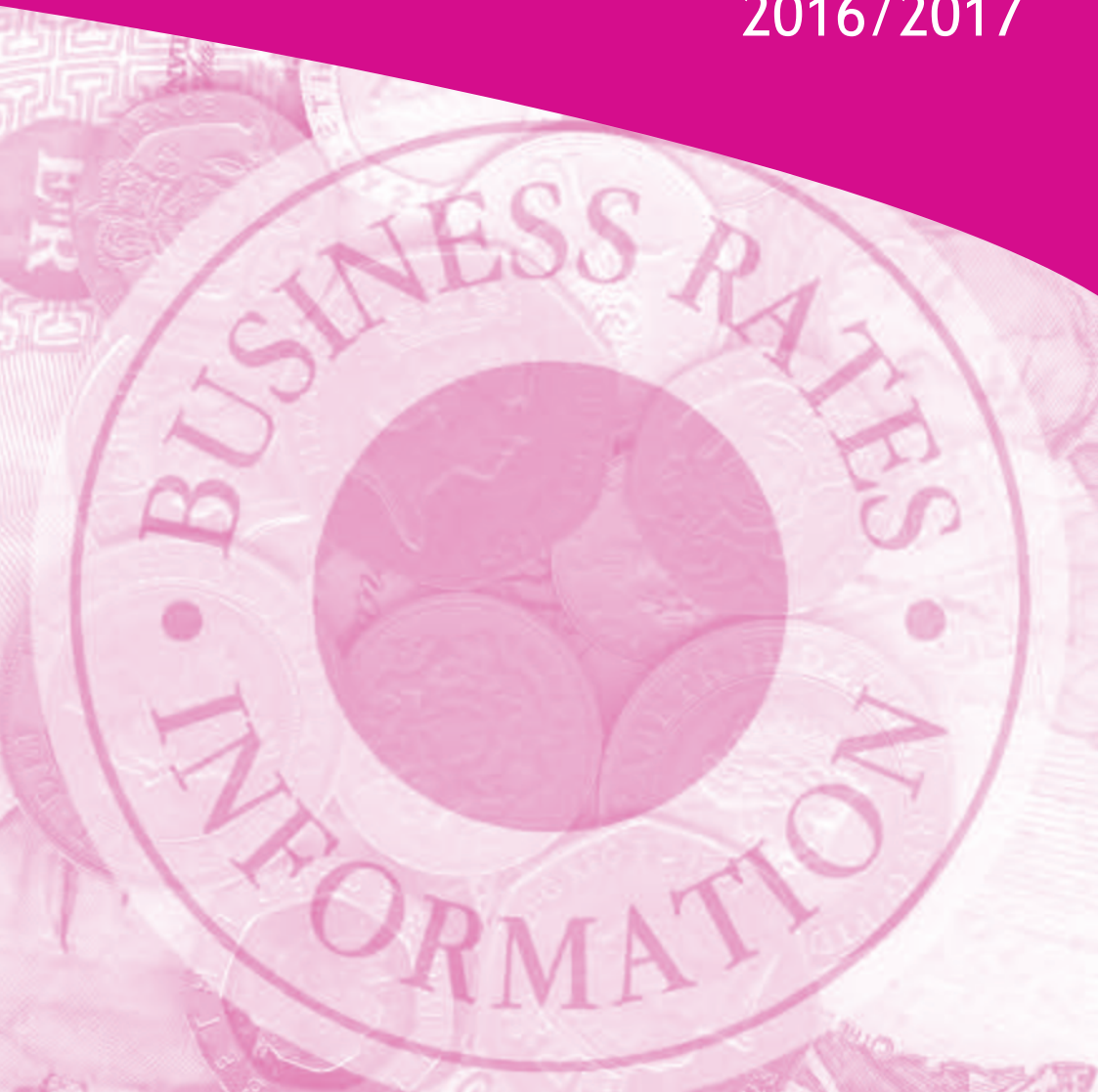


Business Rates

Explanatory Notes
2016/2017



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 1 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 your local authority 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.

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.

The rateable value of your property is shown on the front of this 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 2010, this date was set as 1st April 2008.

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.

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. Any alterations they make on or after 1st April 2016 can only be backdated to 1st April 2015.

You will continue to have your full legal rights to appeal your rating assessment. 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.

Your billing authority can only backdate any business rates rebate to the date from which any change to the list is to have effect.

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.

Between revaluations, the multipliers generally change each year in line with the Retail Price Index in September of the previous year and to take account of the cost of small business rate relief. 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, 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

All rateable values are reassessed at a general revaluation to ensure bills paid by any one ratepayer reflect changes over time in the value of their property relative to others. This helps maintain fairness in the rating system by updating valuations in line with changes in the market. The current rating list is based on the 2010 revaluation. The Government has confirmed that the next revaluation will take place in 2017 based on rental values at 1st April 2015. More information on revaluation 2017 can be found at: www.gov.uk/government/organisations/valuation-office-agency.

In the year of revaluation the multipliers are adjusted to account for overall changes to total rateable value and to ensure that the revaluation does not raise extra money for Government. Similarly, the change in the revaluation date to 2017 has no effect on the total amount of revenue raised from business rates.

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 this bill.

The Government has introduced a new 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 1 October 2013 and 30 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.

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 are not entitled to another mandatory relief or are liable for unoccupied property rates and occupy a property with a rateable value which does not exceed £17,999 outside London or £25,499 in London will - subject to a small number of exemptions - 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 £12,000, the ratepayer will receive a percentage reduction in their rates bill for this property of up to a maximum of 50% for a property with a rateable value of not more than £6,000. The Government has announced, in the Autumn Statement 2015, that the doubling of the usual level of relief - to a maximum of 100% - will continue for a further year, until 31st March 2017.

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 £2,599.

The rateable value of the property mentioned in (a), or the aggregate rateable value of all the properties mentioned in (b), must not exceed £17,999 outside London or £25,499 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.

However, 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.

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 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 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.

Full details on the eligibility criteria and on how to apply for this relief are available from North East Derbyshire District Council.

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.

Local Discounts

Local authorities have a general power to grant discretionary local discounts. 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. 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 - 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. 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.ne-derbyshire.gov.uk/business-rates. A hard copy is available on request by writing to the Council or at 01246 217114.

Rate Relief for business 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 50% of the full charge whilst the local authority also has discretion to give further relief on the remaining bill. In addition, the local authority can give relief on certain other occupied properties in a rural settlement where the rateable value is less than £16,500. Full details can be obtained from North East Derbyshire District Council.

Appeals

Ratepayers can ask the Valuation Office Agency to change their business's rateable value if they think it is incorrect or there has been some major change to the property. In other words, the valuation does not reflect the rental value of the property if it had been available for rent, on the open market, on 1 April 2008. This process is called 'making a proposal'.

You should contact your local Valuation Office or visit the VOA website if you want to make a proposal.

Before you do this, you should consider whether there are valid reasons for claiming that the rateable value is not correct. If you are not absolutely sure about your application, it could slow down the process. This can create a backlog. In many cases this could lead to a delay of a few years before your case is considered. However, even during these delays, you must continue to pay the rate demand until a new rateable value is agreed. If there is a reduction, your local authority will refund any overpaid amount with interest.

After three months of making the proposal to change the rateable value, the matter is automatically referred to a relevant valuation tribunal who will hear and decide on the appeal. You can find information on the Valuation Tribunal Service at www.valuation-tribunals.gov.uk

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

Reminder

You are required by law to pay your business rates instalments on time. We are also required by law to make sure these payments are made. If you fail to pay an instalment on time, we will send you a reminder asking you to bring your account up to date within 7 days. Sending a reminder notice means that we can take court action against you if your account is not brought up to date and maintained.

Unable to Pay

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 notice, and you are late with your payments again, you will lose your 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.

Summonses

If you receive a summons, you must pay the amount shown on the summons (including the court costs) if you are able to do so. If you do not pay the amount shown on the summons, or you think the summons is wrong, you should contact us immediately to discuss your account. We may be able to make a payment arrangement.

Magistrates Hearing

If you fail to contact us your case will be presented to the magistrates on the hearing date shown on the summons. We will ask the magistrates to grant a **Liability Order** whether you attend or not. After the court hearing date we will send you a notice informing you that the magistrates have granted us a Liability Order.

Enforcement Agents

In some circumstances we may decide to pass the account to an enforcement agent. The enforcement agent may either accept payment in full, make a payment arrangement or seize goods to be sold at auction.

PLEASE NOTE. New regulations regarding the use of enforcement agents come in to force on 6th April 2014. Involving enforcement agents will incur you with substantial extra costs. Please see our website for further details.

Bankruptcy

If you owe more than £750 we may serve you with a **Statutory Demand**. This document should not be ignored as it may lead to a bankruptcy petition and further substantial costs may be added to your debt. Your assets are at immediate risk if this happens.

Charging Orders

If you own your business premises we may apply to obtain a charging order.

How to contact us

North East Derbyshire District Council is your main source of information if you have any questions about your rate bill.

To make an enquiry, telephone **01246 217114** and ask for Business Rates, or you can e-mail us at: revenues@ne-derbyshire.gov.uk

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

You can also 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

More information and useful contacts

The Office of the Deputy Prime Minister (ODPM), and the VOA have set up a new website to provide information on business rates. This website has links to the VOA and ODPM websites where you can get more detailed information.

See www.gov.uk

The VOA has a wide range of information on its website about your rateable value. In many cases, you will be able to find a summary of how that valuation was decided on (a summary valuation) and an explanation of how the office decides to make valuations.

See www.voa.gov.uk

If you do not have access to the internet, contact your local valuation office. You will find contact names in your local telephone directories.

North East
Derbyshire
District Council 

*We speak
your language*

Polish
*Mówimy Twoim
językiem*

French
*Nous parlons
votre langue*

Spanish
*Hablamos su
idioma*

Slovak
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