

Explanatory Notes

Key information about your Business Rates bill



About Business Rates

Non-Domestic Rates, or Business Rates, collected by local authorities is the way that those who occupy non-domestic property make a contribution towards the cost of local services. Under the business rates retention arrangements introduced on 1 April 2013, authorities keep a proportion of the business rates paid locally. This money, together with revenue from council tax payers, grants provided by the Government and certain other sums, is used to pay for the services provided by local authorities in your area. For further information about the business rates system, go to www.gov.uk/introduction-to-business-rates or www.scambs.gov.uk/business-rates

To find out more about how the money you pay is spent locally, please visit the following websites:

Cambridgeshire County Council
www.cambridgeshire.gov.uk
Cambridgeshire Fire Authority
www.cambsfire.gov.uk
South Cambridgeshire District Council
www.scambs.gov.uk

If you do not have access to the internet and would like a copy of this information, please contact us using the details on your bill.

Rateable Value (RV)

Apart from properties that are exempt from Business Rates, each non-domestic assessment has a rateable value which is set by the Valuation Office Agency (VOA), an Agency of HM Revenues & Customs. A full list of all rateable values is available at www.gov.uk/voa. The RV 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 current rating list, this date was set as 1st April 2015.

The Valuation Office Agency may alter the value if circumstances change. The ratepayer (and certain others who have an interest in the property) can also check and challenge the value 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. The billing authority can only backdate any amendments from 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 RV of the property by the 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, except in the City of London where special arrangements apply. 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.

Ratepayers who occupy a property with a RV 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.

Business Rates Instalments

Payment of business rate bills is automatically set on a 10-monthly cycle. However, you can request to pay over 12 monthly instalments. Please contact us for details

Revaluations

All non-domestic property RVs are reassessed at revaluation. The most recent revaluation took effect from 1st April 2017. Revaluations ensure that business rates bills are up to date and more accurately reflect current rental values and relative changes in rents, ensuring that the system continues to be responsive to changing economic conditions.

Transitional Rate Relief

At a revaluation, some ratepayers see reductions or no change in their bills, whereas some ratepayers will see increases. Transitional relief schemes are introduced at each revaluation to help those facing increases. This relief is funded by limiting the reduction in bills for those that have benefitted from the revaluation. Transitional relief is applied automatically to bills. Further information may be obtained from your local authority or at www.gov.uk/introduction-to-business-rates

Business Rates 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. Further details can be found at www.scambs.gov.uk/business-rates or www.gov.uk/introduction-to-business-rates

Unoccupied Property Rating

Business rates are generally payable in respect of unoccupied non-domestic property, but generally not for 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, and full details can be obtained from your local authority at www.scambs.gov.uk/business-rates/business-rates-reliefs-and-exemptions, or from gov.uk at www.gov.uk/apply-for-business-rate-relief.

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 period of time, the local authority has discretion in certain cases to award relief in respect of the unoccupied part. Full details can be obtained from your local authority.

Small Business Rate Relief

Ratepayers who occupy a property with an RV 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 an RV 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 an RV 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 an RV which does not exceed £2,899.

If the RV, or aggregate RV, 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, 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 the billing authority as soon as possible.

Certain changes in circumstances will need to be notified to the local authority by a ratepayer who is in receipt of relief (other changes will be picked up by a local authority). The changes which should be notified are-

- (a) The property falls vacant
- (b) The ratepayer taking up occupation of an additional property, or
- (c) An increase in the RV 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). Your local authority has discretion to give further relief on the remaining bill. Full details can be obtained from your local authority.

Relief for Local Newspapers

The Government has extended funding to local authorities so that they can provide a discount worth up to £1,500 to office space occupied by local newspapers. This relief commenced 1st April 2017, and has now been extended to 31st March 2025.

Supporting Small Business

Ratepayers losing Small Business 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. Those that qualify will have their bill adjusted automatically.

Retail Discount

From 1st April 2020, the Government introduced the Expanded Retail, Hospitality and Leisure discounts, providing 100% rates relief to eligible businesses for the financial year 2020/21.

At the Budget on 3rd March 2021, this relief was extended as follows:

-100% relief for the period 1st April 2021 – 30th June 2021
- 66% relief for the period 1st July 2021 – 31st March 2022, capped as follows:

- £2m per business, where the business was legally required to close on 5th January 2021, as a result of Covid restrictions
- £105,000 per business, where the business was not legally required to close on 5th January 2021, as a result of Covid restrictions

Due to the short notice of this announcement, annual bills for 2021/22 will include the relief for the full year initially. A further bill will be issued for the period commencing 1st July 2021 in due course. Retail Discount will end on 31st March 2022.

Nursery Discount

On 18th March 2020, the Government announced the introduction of Nursery Discount. Hereditaments wholly or mainly used for the provision of the Early Years Foundation Stage, where the occupier is registered as a provider with OFSTED, can receive 100% rates relief for the period 1st April 2020 – 31st March 2021. At the Budget on 3rd March 2021, this relief was extended as follows:

-100% relief for the period 1st April 2021 – 30th June 2021
- 66% relief for the period 1st July 2021 – 31st March 2022, capped at £105,000 per business.

Due to the short notice of this announcement, annual bills for 2021/22 will include the relief for the full year initially. A further bill will be issued for the period commencing 1st July 2021 in due course. Nursery Discount will end on 31st March 2022.

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 your local authority www.scams.gov.uk/business-rates

Subsidy (previously State Aid)

The award of discretionary discounts is considered likely to amount to subsidy. Further information can be found at <https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities/summary-guide-to-awarding-subsidies>. If in receiving discretionary rate relief from us your business is likely to exceed the subsidy limits, you must inform us straight away.

Hardship Relief

The local authority has discretion to give hardship relief in specific circumstances. Full details can be obtained from your local authority.

Rating Advisers

Ratepayers do not have to be represented in discussions about their rateable value or their rates bill, but may choose to seek the assistance of a rating advisor. 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 a contract. 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.net) are qualified and are regulated by rules of professional conduct designed to protect the public from misconduct.

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 with 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 100% of the full charge.