

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, South Kesteven District Council retains a proportion of the business rates paid locally. The money, together with revenue from council tax payers, locally generated income and grants from central government, is used to pay for local service provision. Further information about the business rates system, may be obtained at www.gov.uk/introduction-to-business-rates and southkesteven.gov.uk.

Business Rates Instalments

Payment of business rate bills is automatically set on a ten monthly cycle. However, the Government has put in place regulations that allow ratepayers to pay through twelve monthly instalments. If you wish to take up this option, you should contact us as soon as possible.

National Non-Domestic Rating Multiplier

We calculate 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 multipliers for 2022/23 are frozen at 2021/22 levels. The current multipliers are shown on the front of the 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 at www.gov.uk/voa. 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 VOA 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: www.gov.uk/government/collections/check-and-challenge-step-by-step

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.

Business Rate Reliefs

Depending on individual circumstances, a ratepayer may be eligible for a rate relief (i.e. a reduction in your 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 us for details on the latest availability of business rates relief and advice on whether you may qualify. Further detail on reliefs is also provided at www.gov.uk/introduction-to-business-rates or at www.southkesteven.gov.uk.

Expanded Retail Relief

At the Budget on 27 October 2021, the Chancellor announced that the Government would provide additional business rates support for eligible retail, hospitality and leisure businesses in England occupying a qualifying property.

For 2022/23 the Chancellor set out:

- A new relief for eligible retail, hospitality and leisure properties with 50% relief on rates bills up to £110,000 per business

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 partial tapered relief up to a specified threshold. The relevant thresholds for relief are set out in regulations and can be obtained from us or at www.gov.uk/introduction-to-business-rates.

Generally, the percentage of 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 not exceed an amount set in regulations. For those businesses that take on 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 us or at www.gov.uk/introduction-to-business-rates.

Certain changes in circumstances will need to be notified to us by the ratepayer who is in receipt of relief. The changes which should be notified are:

- (a) the property becomes unoccupied,
- (b) the ratepayer takes 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 South Kesteven.

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 a charity or the club and is wholly or mainly used for charitable purposes of the charity (or of that and other charities), or for the purpose of the club (or of that and other clubs).

We have the discretion to give further relief on the remaining bills. Full details can be found at www.southkesteven.gov.uk.

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).

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 unoccupied. 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 us or at www.gov.uk/apply-for-business-rate-relief.

Transitional Rate Relief

At a revaluation, some ratepayers will see reductions or no change in their bill whereas some will see increases.

Transitional relief schemes are introduced at each revaluation to help those facing increases. This relief has been funded by limiting the reduction in bills for those who have benefited from the revaluation. Transitional relief is applied automatically to bills. Further information about transitional arrangements and other relief may be obtained from us or at www.gov.uk/introduction-to-business-rates.

Local Discounts

We have a general power to grant discretionary local discounts and to give hardship relief in specific circumstances. Full details can be found at www.southkesteven.gov.uk.

State Aid

The award of discretionary reliefs 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 14017/2013. 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 during the current or two previous financial years (from any source), you should inform us immediately with details of the aid received.

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, 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 a contract.

Information Supplied with Demand Notices

Information relating to the relevant and previous financial years regarding our gross expenditure is available at www.southkesteven.gov.uk. A hard copy is available upon request.