

## Business rates general explanatory notes

### 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. The money, together with revenue from council taxpayers, locally generated income and grants from central government, is used to pay for the services provided by local authorities in your area. Further information about the business rates system, may be obtained at: [www.gov.uk/introduction-to-business-rates](http://www.gov.uk/introduction-to-business-rates)

### 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 ratepayers 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 request this via e-mail at [businessrates@herefordshire.gov.uk](mailto:businessrates@herefordshire.gov.uk) by 15<sup>th</sup> April 2021.

### National non-domestic rating multiplier

The local authority works out 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 current multipliers are shown on the front of your bill.

### Rateable value

The Valuation Office Agency (VOA) values all business properties for business rates. The valuation is based on information the VOA holds about your property. You can view and update this information at [gov.uk/voa/valuation](http://gov.uk/voa/valuation) .



You can contact the VOA at [gov.uk/contact-voa](https://www.gov.uk/contact-voa) . If you are unable to use the online service you can also contact the VOA on 03000 501 501.

## 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.

The VOA is contacting businesses to request rental information to support the next revaluation of business rates in England and Wales – Revaluation 2023. If you receive a request, please complete and submit your up-to-date details. It is important to provide this information to ensure business rates are fair and accurate. You can find more information at [www.gov.uk/voa/revaluation2023](https://www.gov.uk/voa/revaluation2023) .

## Business rate 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. You should contact us on [businessrates@herefordshire.gov.uk](mailto:businessrates@herefordshire.gov.uk) for details on the latest availability of business rates reliefs and advice on whether you may qualify. Further detail on reliefs is also provided at [www.gov.uk/introduction-to-business-rates](https://www.gov.uk/introduction-to-business-rates) or at [www.herefordshire.gov.uk/businessratesrelief](https://www.herefordshire.gov.uk/businessratesrelief)

## 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 you may receive partial tapered relief up to a specified upper threshold.

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 the limit set in regulations.

The aggregate rateable value of all the properties mentioned in (b), must also not exceed an amount set in regulations. 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 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 at [www.herefordshire.gov.uk/businessratesrelief](https://www.herefordshire.gov.uk/businessratesrelief) or at [www.gov.uk/introduction-to-business-rates](https://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 (other changes will be picked up by the local authority). The changes which should be notified are -

- (a) the property falls vacant,
- (b) the ratepayer taking 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 the area of the local authority which granted the relief.

If you would like further information and/or make an application for Small Business Rate Relief please visit [www.herefordshire.gov.uk/sbrr](http://www.herefordshire.gov.uk/sbrr)

### 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).

Herefordshire Council has discretion to give further relief on the remaining bill. Full details can be obtained by contacting us at [businessrates@herefordshire.gov.uk](mailto:businessrates@herefordshire.gov.uk)

### 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 empty. This is extended to six months in the case of certain other properties (for example industrial premises). Full details on exemptions can be obtained from Herefordshire Council or from gov.uk at <https://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 ratepayers 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 benefitted from the revaluation. Transitional relief is applied automatically to bills. Further information about transitional arrangements and other reliefs may be obtained from Herefordshire Council or the website [www.gov.uk/introduction-to-business-rates](http://www.gov.uk/introduction-to-business-rates).



## 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 at:

[www.herefordshire.gov.uk/businessratesrelief](http://www.herefordshire.gov.uk/businessratesrelief).

## State aid

Small Amounts of Financial Assistance Allowance enables an applicant to receive up to £325,000 Special Drawing Rights, to a single economic actor over any period of three fiscal years, which is the equivalent of £335,000 as at 2 March 2021. In addition there are two additional state aid schemes being the COVID-19 Business Grant Allowance and COVID-19 Business Grant Special Allowance. Grants under the Small Amounts of Financial Assistance Allowance, the COVID-19 Business Grant Allowance and the COVID-19 Business Grant Special Allowance may be combined for a potential total allowance of £10,935,000 (subject to the exact amount applicable under the Small Amounts of Financial Assistance Allowance using the Special Drawing Right calculator). Details can be found online here <https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities>

## 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](http://www.rics.org)) and the Institute of Revenues, Rating and Valuation (IRRV - website [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 adviser or company 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.herefordshire.gov.uk](http://www.herefordshire.gov.uk) . A hard copy is available on request by writing to the Council at Herefordshire Council, Business Rates Section, Plough Lane, Hereford, HR4 0LE or by e-mailing [businessrates@herefordshire.gov.uk](mailto:businessrates@herefordshire.gov.uk) .