

Non-Domestic Rates

Your guide 2019-20

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 and certain 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 appeal against 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 at **www.gov.uk/voa/valuation** or obtained from your local valuation office
Tel 03000 501 501

NATIONAL NON-DOMESTIC RATING MULTIPLIER

Gateshead Council 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 and are:

- Standard non-domestic rating multiplier **50.4p**
- Small business non-domestic rating multiplier **49.1p**

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.

You can also choose to pay your business rates bill weekly if this would be better for you.

Your rates bill will show your payable instalments. If you have not already changed your plan to pay over 12 months or weekly, please contact the Business Rates Section at Gateshead 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 Gateshead Council or 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. 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 the business rates section at Gateshead Council.

Unoccupied property relief will only be granted from the date the property is verified as being wholly unoccupied. Ratepayers must notify Gateshead Council immediately when a property becomes vacant so that an inspection can be arranged to verify that it is wholly unoccupied. Relief will not be granted for retrospective claims which cannot be verified.

Unoccupied properties with a rateable value under £2,900 do not pay empty rates.

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, Gateshead Council has discretion in certain cases to award relief in respect of the unoccupied part. Full details can be obtained from the Business Rates Section at Gateshead Council.

SMALL BUSINESS RATES 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 Gateshead 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 Gateshead 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.

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).

Gateshead Council has discretion to give further relief on the remaining bill. Full details can be obtained from the Business Rates Section at Gateshead 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 until the next revaluation in 2021 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 Gateshead Council's discretionary discount powers (under section 47(3) of the Local Government Finance Act 1988). Further information can be obtained from the Business Rates Section at Gateshead 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 Gateshead Council's discretionary discount powers (under section 47(3) of the Local Government Finance Act 1988). Further information can be obtained from the local authority.

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 the local authority.

LOCAL DISCOUNTS

Gateshead Council have a general power to grant discretionary local discounts. Full details can be obtained from the Business Rates Section at Gateshead 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 the local authority immediately with details of the aid received.

HARDSHIP RELIEF

Gateshead Council has discretion to give hardship relief in specific circumstances. Full details can be obtained from the Business Rates Section at Gateshead 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. 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.gateshead.gov.uk/businessrates

A hard copy is available on request by contacting the Business Rate section at Gateshead Council:

businessrates@gateshead.gov.uk

0191 433 4726

WHEN A RATEPAYER MOVES INTO A PROPERTY - INFORMATION FOR OCCUPIERS, OWNERS AND AGENTS

You must notify Gateshead Council's Business Rates team as soon as you take occupation of a property so that a Business Rates bill can be issued for payment.

The council may request a copy of your lease or similar agreement to ensure that the correct rate liability can be determined.

If you are the owner or agent for a property you must advise the Council's Business Rates team as soon as you have a new tenant as retrospective notifications of an occupier will not be considered without irrefutable evidence of occupation.

PAYMENT INFORMATION

Paying your accounts

The council recommends that you pay by direct debit, as this is an easy and safe way to pay and you have the option to pay on the 1st or 15th of each month. To arrange payment by direct debit:

1. Complete our on-line application at **www.gateshead.gov.uk/businessrates**
2. Call the Business Rates Section on **0191 433 4726**

Please see the reverse of your bill for details of how and where payments can be made.

Important

If you send one payment to be allocated between multiple accounts, ensure you email a remittance advice to:

incomeremittances@gateshead.gov.uk

You must quote the account number shown on the bill when making payment. If you do not, Gateshead Council cannot be held responsible for payments not allocated to your account.

Non-payment

If you fail to pay any instalment on or before the due date, recovery action may be taken against you. This could mean additional costs being added to your account. A reminder notice may be issued at any time if an instalment has not been received by the due date.

Please note that only one reminder notice will be issued in any one year. If a second instalment is not paid at the due date then the full outstanding balance of the account, (not just the outstanding instalments up to that date) will become payable.

Legal proceedings may then be started to recover the full outstanding balance. You may incur additional costs.

Payment difficulties

If you have any difficulties paying your non-domestic rate bill please contact the Business Rates section as soon as possible. Please do not leave the matter until legal proceedings have begun as this may result in you paying further costs.

Changes in circumstances

If your circumstances change in any way please notify the Business Rates section immediately.

HOW TO CONTACT THE COUNCIL

If you have any queries regarding your Business Rates please contact us at www.gateshead.gov.uk/businessrates

Gateshead Council, Business Rates Section, Civic Centre, Regent Street, Gateshead NE8 1HH

Telephone: (0191) 433 4726

Email: businessrates@gateshead.gov.uk

Monday to Thursday 8:45am to 5.00pm and Friday 8:45am to 4:30pm

VALUATION OFFICE AGENCY

The VOA is an agency of Her Majesty's Revenue and Customs. One of their main functions is to prepare and maintain a full list of all rateable values, which is available on their website www.gov.uk

If you have any queries about your rateable value your first port of call should be their website at www.gov.uk where full details can be found and where you can appeal directly against your rateable value.

To contact the Valuation Office Agency please visit www.gov.uk/voa/contact

USEFUL BUSINESS INFORMATION

Contact the council's Economic and Housing Growth Service to talk about anything affecting your business.

- We provide a free, fast comprehensive response to enquiries and continue to work with you to make sure you get access to the best business support available in the area
- We also run several business centres that provide supportive environments for new and young businesses

Telephone: 0191 433 2803

Email: economicdevelopment@gateshead.gov.uk

Other useful council contacts for business issues:

Environmental Health regulations: 0191 433 3912

Trading Standards regulations: 0191 433 3987

Alterations/extensions to your business premises: 0191 433 3150

For all of your other property needs please contact Property Services on: 0191 433 3000

MANAGING THE RISKS

Would you know what to do if your business or organisation was involved in an emergency or major disaster such as major flooding, major fire, explosion or even an act of terrorism?

It makes sense to plan and prepare your business for these unexpected risks - managing them could help keep your business trading. Whilst the council can't prepare your plans for you - as only you know your business and your critical processes - we can assist by giving you some general advice and details of useful websites.

For more information contact: the Resilience Team, Gateshead Council on

Telephone: 0191 433 2807 or 0191 433 3986

Email: resilience@gateshead.gov.uk



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