

Non-Domestic Rates

Your guide 2021-22

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 relief's, may be obtained at

www.gov.uk/introduction-to-business-rates

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.

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 VOA 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 valuation shown in the list if they believe that it is wrong. The valuation is based on information the VOA holds about your property. You can view and update this information at **www.gov.uk/voa/valuation**.

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

For further information you can contact the VOA at **www.gov.uk/contact-voa**. If you are unable to use the online service you can also contact the VOA by telephone on **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.

Ratepayers who occupy a property with a rateable value which does not exceed £50,999 (and who are neither entitled to certain other mandatory relief(s) nor liable for unoccupied property rates) will have their bill calculated using the lower small business non-domestic rating multiplier, rather than the standard non-domestic rating multiplier.

Both multipliers for this financial year are 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 unchanged from 2020-21 and are shown on the front of your bill and are:

Standard non-domestic rating multiplier **51.2p**

Small business non-domestic rating multiplier **49.9p**

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.

REVALUATIONS AND TRANSITIONAL ARRANGEMENTS

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

At a revaluation, some ratepayers will see a reduction or no change to their bills whereas some ratepayers will see increases.

Transitional relief schemes are introduced at each revaluation to help those facing increases. Such relief schemes are funded by limiting the reduction in bills for those who have benefited from the revaluation.

The transitional arrangements are applied automatically and are shown on the front of your bill. Further information about transitional arrangements and other relief's may be obtained from Gateshead Council or www.gov.uk/introduction-to-business-rates

BUSINESS RATE RELIEFS

Depending on individual circumstances, a ratepayer may be eligible for a rate relief (i.e. a reduction in their business rates bill). There are a range of available reliefs. Further details are provided below and at www.gov.uk/introduction-to-business-rates

Some temporary reliefs are often introduced by the Government at Budgets. Further details are provided below or are available at www.gov.uk/apply-for-business-rate-relief

UNOCCUPIED PROPERTY RATING

Business rates are generally payable in respect of unoccupied non-domestic property. However they are generally not 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.
- (c) the property falling vacant.

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 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).

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 31 March 2022 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 will be automatically applied to your bill if you are eligible.

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.

EXPANDED RETAIL RELIEF

It was announced by the Chancellor at the Budget on 3rd March 2021 that Expanded Retail Relief (100%) would be extended until 30th June 2021 and that eligible businesses may be entitled to a 66% discount from 1st July 2021 for the remainder of the 2021-22 Financial year.

The 66% discount applicable from 1st July 2021 is subject to a 'cash cap'. This means a ratepayer may only receive up to the following cash caps of Expanded Retail Discount in 2021-22, ignoring any relief for the period before 1st July 2021:

- a. £2 million for ratepayers which were mandated by the Government to close their business on 5th January 2021 due to the pandemic
- b. £105,000 for all other ratepayers

Full guidance is available at <https://www.gov.uk/apply-for-business-rate-relief/retail-discount>.

NURSERY DISCOUNT

It was announced by the Chancellor at the Budget on 3rd March 2021 that Nursery Relief (100%) would be extended until 30th June 2021 and that eligible businesses (Ofsted Early Years Registered) may be entitled to a 66% discount from 1st July 2021 for the remainder of the 2021-22 Financial year.

The 66% discount applicable from 1st July 2021 is subject to a 'cash cap' of £105,000

Full guidance is available at <https://www.gov.uk/apply-for-business-rate-relief/retail-discount>.

Expanded Retail Relief & Nursery Relief for the period 1st April 2021 to 30th June 2021 is not subject to state aid / subsidy rules

Businesses must notify Gateshead Council immediately if there has been, or there will be, a change in circumstances that may affect any discount or relief awarded and notify the Council if they do not wish to accept the expanded retail discount want to opt out by emailing:

businessrates@gateshead.gov.uk

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 / SUBSIDY

The award of discretionary relief(s) is likely to be considered to amount to state aid. You must advise Gateshead Council if you will breach aid limits by receiving any business rate reliefs.

Expanded Retail Relief for the period 1st April 2021 to 30th June 2021 is not subject to state aid / subsidy rules

Further government information relating to Subsidy (previously State Aid) can be found at:

<https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities>

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

Please visit our website for more information relating to business rates
www.gateshead.gov.uk/businessrates

By email: **businessrates@gateshead.gov.uk**

By telephone: **0191 433 4726** on the following days:

Monday & Tuesday 8:45am to 5:00pm and 8:45am to 4:30pm on a Friday

By post: Gateshead Council Business Rates Team, Civic Centre, Regent Street, Gateshead, NE8 1HH

BUSINESS SUPPORT INFORMATION

Advice and support for businesses impacted by COVID restrictions, including links to government funding, can be found at **Advice for businesses, self-employed and employers - Gateshead Council**

If you are looking to start a business or are an existing business that would benefit from support and guidance to navigate your way through the support available, please get in touch at **Business Gateshead - Get in touch**. You can access details of all our services for business at **Business Gateshead - Business Gateshead**

To receive news, event alerts and information on opportunities from Business Gateshead please sign up for our newsletter:
Business Gateshead - Sign up to our newsletter



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