

# EXPLANATORY NOTES ON YOUR NATIONAL NON-DOMESTIC RATES BILL

## Non-Domestic Rates

The 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. Except in the City of London where special arrangements apply, the rates are pooled by central government and redistributed to local authorities as part of the annual formula grant settlement. The money, together with revenue from council taxpayers, revenue support grant provided by the Government and certain other sums, is used to pay for the services provided by your local authority and other local authorities in your area

## 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. It draws up and maintains a full list of all rateable values, available on their website at [www.voa.gov.uk](http://www.voa.gov.uk). The rateable value of your property is shown on the front of this 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 1 April 2005, this date was set as 1 April 2003.

The valuation officer may alter the value if circumstances change. The ratepayer (and certain others who have an interest in the property) can also appeal against the value shown in the list if they believe it is wrong. Further information about the grounds on which appeals may be made and the process for doing so can be found on the VOA website or from your local valuation office.

## National Non-Domestic Rating Multiplier

The local 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. The Government sets the multipliers for each financial year for the whole of England, except in the City of London where special arrangements apply, according to formulae set by legislation. The multipliers change each year in line with inflation and to take account of the cost of small business rate relief. In the year of a revaluation, the multipliers are set at a level which will keep the total amount raised in rates after the revaluation the same as before, plus inflation for that year. The current multipliers are shown on the front of this bill.

## Transitional Arrangements

Property values normally change a good deal between each revaluation. Transitional arrangements help to phase in the effects of these changes by limiting increases in bills. To help pay for the limits on increases in bills, there also have to be limits on reductions in bills. Under the transition 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 the 1<sup>st</sup> April 2005, transitional arrangements will not normally apply to the part of a bill that relates to any increase in rateable value due to those changes. Any transitional adjustments are shown on the front of this bill.

Further information about transitional arrangements and other reliefs may be obtained from Salford City Council, Business Rates Section, Unity House, Salford Civic Centre, Chorley Road, Swinton, M27 5AW or the website [www.businesslink.gov.uk](http://www.businesslink.gov.uk).

## 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 unless the unoccupied property rate has been reduced by the Government by order. In most cases, the unoccupied rate is zero for properties owned by charities and Community Amateur Sports Clubs. In addition, there are a number of exemptions from the empty property rate. Full details on exemptions can be obtained from the local authority. If the unoccupied property rate for the financial year has been reduced by order, it will be shown on the front of this bill.

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

## Small Business Rate Relief

This relief is only available to ratepayers who apply to their local authority and who occupy either: -

- (a) one property, or
- (b) one main property and other additional properties providing those additional properties each have a rateable value of less than £2,200.

The rateable value of the property mentioned in (a), or the aggregate rateable value of all properties mentioned in (b), must be under £15,000 outside London or £21,500 in London on every 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.

Ratepayers who satisfy these conditions will have the bill for their single or main property calculated using the lower small business non-domestic rating multiplier rather than the ordinary non-domestic rating multiplier that is used to calculate the liability of other businesses.

In addition, if the single or main property is shown on the rating list with a rateable value of up to £10,000, the ratepayer will receive a percentage reduction in their rates bills for this property of up to a maximum of 50% for a property with a rateable value of not more than £5,000.

If an application for relief is granted, provided the ratepayer's circumstances do not change, the application will not need to be renewed until the next revaluation of non-domestic premises, which happens every five years. Certain changes in circumstances will need to be notified to the local authority by the ratepayer (other changes will be picked up by the local authority).

The changes which must be notified are-

- (a) the ratepayer taking up occupation of a property they did not occupy at the time of making their application for relief, 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.

Notification of these changes must be given to the local authority within 4 weeks of the day after the day the change happened. If this happens, there will be no interruption to the ratepayer's entitlement to the relief. A notification that the ratepayer has taken up occupation of an additional property must be by way of a fresh application for relief; notice of an increase in rateable value must be given in writing. Full details on the eligibility criteria and on how to apply for this relief are available from Salford City Council.

#### **Charity and Registered 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 Club and is wholly or mainly used for charitable purposes or as a Registered Community Amateur Sports Club. The local authority has discretion to give further relief on the remaining bill. Full details can be obtained from Salford City Council.

#### **Non-Profit Making Organisation**

The local authority has discretion to give relief to Non-Profit Making Organisations. Full details can be obtained from Salford City Council.

#### **Hardship Relief**

The local authority has discretion to give relief in special circumstances. Full details can be obtained from Salford City Council.

#### **Schedule of Payments for Certain Backdated Liability**

Ratepayers who face certain backdated rates liability may be able to discharge that liability over up to 8 years by agreement with their billing authority.

This may be possible if the backdated liability has arisen as a result of an alteration to a ratings list which:

- means a hereditament is shown on that list for the first time;
- has effect from a day that is at least 33 months prior to the date the alteration is made;
- is made on or before 31<sup>st</sup> March 2010; and
- is not the result of a proposal to alter a rating list made by the ratepayer or another interested person.

To be eligible, ratepayers must have occupied one or more properties affected by the type of rating list adjustment above, within the billing authority area, between the effective date of the list alteration and the date it was actually made, for 33 months or more. Ratepayers are not eligible if they were previously liable for rates in respect of a property "preceding" the new property assessment (i.e. a property that forms a part of a new merged property or a part of a property that has been split into two or more new properties).

With the agreement of their billing authority, eligible ratepayers will be able to discharge any outstanding liability that accrued between the effective date of the relevant list alteration and the date the alteration was made over a period of up to 8 years. Further details on the criteria and the process to obtain a schedule of payments are available from your local authority.

#### **Rating advisers**

Ratepayers do not have to be represented in discussions about their rateable value or their rates bill. Appeals against rateable values can be made free of charge. 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, 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.

#### **Useful Information**

**The rateable value and the valuation of your property** – The rateable value is assessed by the Manchester Valuation Office and any enquiries regarding the valuation of your property should be made direct at the address below. **Please note - an appeal against your rating assessment does not entitle you to withhold payment of your account.**

**Change of Account Details** – If you vacate, sell or transfer the lease for your property, your rate account will need to be amended and you should contact the Business Rates Section, either at the address below, e-mail [business.rates@salford.gov.uk](mailto:business.rates@salford.gov.uk) or telephone 0161-793-3390 between 8.30am & 4.30pm Monday to Friday. It would be helpful if you could provide the purchaser's or new leaseholder's name and address.

**Payment of this account** – Payment details will be shown on your bill. If you have not already made arrangements to pay by Direct Debit and a mandate is not enclosed, please contact the Business Rate Section on 0161-793-3390 (8.30am to 4.30pm Monday to Friday)

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| <b>For enquiries regarding your rate account, please contact:</b><br>Business Rates Section, Customer and Support Services, Unity House, Salford Civic Centre, Chorley Road, Swinton, M27 5AW<br><b>Tel: 0161-793-3390</b> e-mail <a href="mailto:business.rates@salford.gov.uk">business.rates@salford.gov.uk</a>   | <b>For enquiries regarding your rating assessment, please contact:</b><br>Manchester Valuation Office, Portland Tower, Portland Street, Manchester, M1 3LD<br><b>Tel: 0161-245-4200 - V O Agency website: <a href="http://www.voa.gov.uk/">http://www.voa.gov.uk/</a></b> |
| Additional information on Business Rates is also available on the Salford website at <a href="http://www.salford.gov.uk/business/rates.htm">http://www.salford.gov.uk/business/rates.htm</a>   |   |
| If you would like to comment or complain about any aspect of the Business Rate collection service which you receive, please ring 0161-793-3390, e-mail us at <a href="mailto:business.rates@salford.gov.uk">business.rates@salford.gov.uk</a> or write to the Business Rates Section, Customer and Support Services, Unity House, Salford Civic Centre, Chorley Road, Swinton M27 5AW. Alternatively, log on to <a href="http://www.salford.gov.uk/council/complaints.htm">http://www.salford.gov.uk/council/complaints.htm</a> on the Council website, we keep a record of all comments made and try to use them, where possible, in making improvements to our procedures. |   |