

## **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 Tax payers, 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) and at <https://www.midsussex.gov.uk/revsandbens/business-rates/>.

## **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 businesses to require their local authority to enable payments to be made through twelve monthly instalments. If you wish to take up this offer, you should contact the Revenues and Benefits Service at Mid Sussex District Council as soon as possible.

Please note that if you qualify for 100 per cent Expanded Retail or Nursery Discount until the 30<sup>th</sup> June 2021 in 2021-22 you will pay no business rates in the first 3 months of 2021-22.

## **National Non-Domestic Rating Multiplier**

The Revenues and Benefits Service at Mid Sussex District Council 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 normally 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. However, the multipliers for 2021-22 are frozen at 2020-21 levels. The current multipliers are shown on the front of your 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 who are independent of the Council. They compile and maintain a full list of all rateable values, available at [www.gov.uk/voa](http://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 Valuation Office Agency 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](http://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, 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.

## **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 your local authority 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](http://www.gov.uk/introduction-to-business-rates) or at <https://www.midsussex.gov.uk/revsandbens/business-rates/> .

## **Expanded Retail Discount**

In Mid Sussex district over 1,200 businesses liable for business rates in 2020-21 paid no business rates at all due to the award of 100% expanded retail discount for the whole of the financial year.

Business Rates bills for 2021-22 may include 100% Expanded Retail Discount where applicable. Full information at <https://www.midsussex.gov.uk/revsandbens/business-rates/property-reliefs/expanded-retail-discount/> . Please note that despite these bills this discount is only valid at 100% for 3 months but under the business rates regulations we have to send the bill as it is now.

After that from the 1<sup>st</sup> July 2021 the bills if applicable to these discounts subject to a cash cap (of up to £2m for a business mandated to close and £105,000 for all other businesses) are entitled to a 66% discount for the rest of 2021-22.

We are likely to be in May asking businesses where applicable to do a simple online claim form for these discounts to be awarded from the 1<sup>st</sup> July 2021. New bills will be issued before the 1<sup>st</sup> July 2021 showing the new discount if applicable.

Please note that any business if they believe they should have been awarded these discounts and they have not should contact the Council. If they let the Council know by the 30<sup>th</sup> September 2021 it can, if entitled, also be awarded for 2020-21. The full criteria is outlined in the links above.

## **Nursery Discount**

In Mid Sussex district a number of nurseries liable for business rates in 2020-21 paid no business rates at all due to the award of 100% nursery discount for the whole of the financial year.

Business Rates bills for 2021-22 for properties in the district may include 100% Nursery Discount where applicable. Full information at

<https://www.midsussex.gov.uk/revsandbens/business-rates/property-reliefs/nurseries/>

. Please note that despite these bills this discount is only valid at 100% for 3 months but under the business rates regulations we have to send the bill as it is now.

After that from the 1<sup>st</sup> July 2021 the bills if applicable to these discounts subject to a cash cap of £105,000 for all nurseries are entitled to a 66% discount for the rest of 2021-22.

We are likely to be in May asking nurseries where applicable to do a simple online claim form for these discounts to be awarded from the 1<sup>st</sup> July 2021. New bills will be issued before the 1<sup>st</sup> July 2021 showing the new discount if applicable.

Please note that any nursery if they believe they should have been awarded these discounts and they have not should contact the Council. If they let the Council know by the 30<sup>th</sup> September 2021 it can, if entitled, also be awarded for 2020-21. The full criteria is outlined in the links above.

### **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. The relevant thresholds for relief are set out in regulations and can be obtained from the Revenues and Benefits Service at Mid Sussex District Councils or at [www.gov.uk/introduction-to-business-rates](http://www.gov.uk/introduction-to-business-rates) .

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 from the Revenues and Benefits Service at Mid Sussex District Council or at [www.gov.uk/introduction-to-business-rates](http://www.gov.uk/introduction-to-business-rates) .

Certain changes in circumstances will need to be notified to the local authority 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.

### **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). The local authority has discretion to give further relief on the remaining bill. Full details can be obtained from the Revenues and Benefits Service at Mid Sussex District Council.

### **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 the Revenues and Benefits Service at Mid Sussex District Council or from gov.uk at [www.gov.uk/apply-for-business-rate-relief](http://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 the Revenues and Benefits Service at Mid Sussex District 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 from the Revenues and Benefits Service at Mid Sussex District Council.

### **Subsidy Allowance Limits / Cash Cap**

Any reliefs or discounts will be capped at subsidy allowance or cash cap limits depending on the appropriate relief or discount.

Whilst a member of the European Union following the outbreak of the Coronavirus, the European Commission approved schemes to aid businesses affected by the Coronavirus outbreak on the basis of their Temporary Framework, including the COVID-19 Temporary Framework measure for the UK. Whilst the UK left the EU on the 31<sup>st</sup> December 2020 the subsidy allowance limits for these business grants still apply based on Government guidance.

The maximum level of aid that a company may receive under article 3.2 (4) of the Trade and Co-operation Agreement (TCA) is £1,935 000. This enables an applicant to receive up to a maximum level of subsidy without engaging Chapter v3 of the TCA. For aid for uncovered fixed costs under these scheme rules, the maximum level of aid is £9 million.

Any aid provided under this measure will be relevant if you wish to apply, or have

applied, for any other aid granted based on the TCA. A business or organisation will need to declare this amount to any other aid awarding body who requests information from you on how much aid you have received.

For Expanded Retail Discount from the 1<sup>st</sup> July 2021 the business rates bills if applicable to these discounts is subject to a cash cap (of up to £2m for a business mandated to close and £105,000 for all other businesses) are entitled to a 66% discount for the rest of 2021-22.

For Nursery Discount from the 1<sup>st</sup> July 2021 the business rates bills if applicable to these discounts are subject to a cash cap of £105,000 for all nurseries are entitled to a 66% discount for the rest of 2021-22.

### **Rating advisers**

Ratepayers do not have to be represented in discussions about their rateable value of their property 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 regarding the gross expenditure of Mid Sussex District Council is available at <https://www.midsussex.gov.uk/about-us/our-finances/> A hard copy is available on request by writing to the Council.