

Business Rates Information Letter

(13/2009): Business Rates Information Letter

This is the thirteenth business rates information letter to be issued by the Department this year. Previous letters are available on the internet at:

<http://www.communities.gov.uk/localgovernment/localgovernmentfinance/businessrates/busratesinformationletters/>

This letter covers:

- ♣ 2010 Revaluation
- ♣ Business Rate Supplements

Non-Domestic Rates Branch
Zone 5/D2
Eland House
Bressenden Place
LONDON SW1E 5DU
Web site:
www.communities.gov.uk

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Non-Domestic Rates Branch
LGF - BRV
Zone 5/D2
Eland House
Bressenden Place
London SW1E 5DU

Email: ndr@communities.gov.uk

Chief Finance Officers of English Billing Authorities

FOR THE ATTENTION OF THE BUSINESS RATES SECTION

Dear Chief Finance Officer

Business Rates Information Letter (13/2009): 2010 Revaluation and Business Rate Supplements

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This letter covers:

2010 REVALUATION

- Rateable value thresholds
- Transitional relief scheme
- Publication of draft rating lists

BUSINESS RATE SUPPLEMENTS

- Royal Assent
- BRS Regulations

2010 REVALUATION

2010 Revaluation - rateable value thresholds

As part of the 2010 revaluation, the following rateable value thresholds will be increased with effect from 1 April 2010.

Small business rate relief scheme

- Eligible ratepayers with a rateable value of £5,000 or below currently receive 50% relief. This threshold will be increased to **£6,000**.
- Eligible ratepayers with a rateable value between £5,001 and £10,000 currently receive relief on a sliding scale. The £10,000 threshold will be increased to **£12,000**. Therefore, for properties with rateable values between £6,001 and £12,000, relief will be available on a sliding scale from 50% to 0%, where every £120 rateable value equates to 1%.
- Eligible ratepayers with a rateable value between £10,001 and £14,999 (£21,499 in Greater London) currently have their rates liability calculated using the small business non-domestic rating multiplier (this is currently 0.4p less than the national non-domestic rating multiplier). These thresholds will increase from £14,999 to **£17,999** for properties outside London and from £21,499 to **£25,499** for those in Greater London.
- Additional properties with a rateable value up to £2,199 are currently disregarded in considering entitlement to small business rate relief. This threshold will increase to **£2,599**.

Rural rate relief

- The current rateable value threshold of £7,000 for a sole shop, general store or post office will increase to **£8,500**.
- The current rateable value threshold of £10,500 for a sole petrol filling station or pub will increase to **£12,500**.
- The current threshold of £14,000 for discretionary relief will increase to **£16,500**.

Stud farms

- The current rateable value disregard for stud farms (implemented by the VOA) will increase from £3,500 to **£4,200**.

2010 revaluation - transitional relief scheme

The Government's consultation on proposals for the transitional relief scheme for the 2010 revaluation ended on 23 September. The responses to the consultation are currently being considered and we aim to announce the outcome of the consultation by mid-November.

2010 revaluation – publication of draft rating lists

The VOA will be publishing the draft 2010 rateable values for non-domestic properties after 5.00 pm on 30 September online at www.voa.gov.uk/2010. During October, the VOA will also be sending ratepayers a paper copy of their summary valuation.

To assist billing authority staff handling enquiries about the draft lists, the VOA has prepared a revaluation enquiry guide – REG. This will be accessible from 1 October at www.voa.gov.uk/2010/REG.

To coincide with the publication of the draft rating lists, ratepayers will also be able to estimate their rate bills for 2010-11 through a business rates calculator on the business link website at www.businesslink.gov.uk/estimatemyrates. For the purposes of the calculator, a draft national multiplier of 41.7p is used. However, billing authorities should note that the actual provisional multiplier for 2010-11, based on the September 2009 rate of inflation, will not be known and announced before mid-November.

BUSINESS RATE SUPPLEMENTS

Royal Assent

The Business Rate Supplements Bill received Royal Assent on 2 July and is now the Business Rate Supplements Act 2009. The Business Rate Supplements Act 2009 (Commencement No. 1) (England) Order 2009 (SI 2009 No. 2202) was made on 14 August. The Order can be accessed at http://www.opsi.gov.uk/si/si2009/pdf/uksi_20092202_en.pdf.

BRS Regulations

The consultation on the Government's proposals on the ballot and administration arrangements for the new Business Rate Supplements closed on 19 August. Following consideration of the responses to the consultation, two sets of regulations have now been made and laid before Parliament: The Business Rate Supplements (Rateable Value Condition) (England) Regulations 2009 (SI 2009 No. 2542); and The Business Rate Supplements (Transfers to Revenue Accounts) (England) Regulations 2009 (SI 2009 No. 2543).

Business rate supplements: a White Paper, published in October 2007, stated that hereditaments with a rateable value of £50,000 or less would be exempted from paying the supplement. This is given effect by The Business Rate Supplements (Rateable Value Condition) (England) Regulations 2009 (SI 2009 No. 2542) which can be accessed at http://www.opsi.gov.uk/si/si2009/pdf/uksi_20092542_en.pdf. The Regulations will come into force on 15 October.

The Business Rate Supplements (Transfers to Revenue Accounts) (England) Regulations 2009 (SI 2009 No. 2543) make provision for the transfer of BRS revenues from a billing authority's collection fund into the levying authority's BRS revenue account. In single-tier local authority areas, BRS revenues are transferred as they are collected on a monthly basis. In two-tier areas, billing authorities are required to estimate the amount they expect to collect through BRS during each financial year. The estimate is adjusted by an in-year contingency to allow for the costs of, and losses in, collection and the resulting amount is paid into the relevant levying authority's BRS revenue account in instalments throughout the year. At the end of each financial year, there is provision for a final adjustment to be made. These Regulations can be accessed at http://www.opsi.gov.uk/si/si2009/pdf/uksi_20092543_en.pdf and will come into force on 15 October.

Further regulations on the administration and ballot arrangements for BRS will follow.