

## 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, revenue support grant provided by the Government and certain other 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](http://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](http://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. Full details on your rights of appeal are available from the Valuation Office Agency. Your billing authority can only backdate any business rates rebate to the date from which any change to the list is to have effect.

The Valuation Office Agency will continue to fulfil their legal obligations to alter rating assessments if new information comes to light indicating the valuation is inaccurate.

You can [click, find and review your rateable value on the VOA's website](#). If you have reason to believe that your 2017 rateable value is not correct, follow the instructions provided on the site. You will need to do the following (not available until 1 April 2017):

- CHECK - [review and confirm the facts about your property held by the VOA](#)
- CHALLENGE – once the facts are established, explain why you believe your valuation is wrong.

An appeal on your 2017 rateable value is not possible, and may not be necessary, until you have completed CHECK and CHALLENGE.

Further information about the grounds on which appeals may be made and the process for doing so can be found on the [www.gov.uk](http://www.gov.uk) website or obtained from your local valuation office.

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

The local authority 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.

## **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. If you wish to take up this offer, please email [business.rates@bristol.gov.uk](mailto:business.rates@bristol.gov.uk) by 28<sup>th</sup> March 2017.

## **Revaluation 2017 and Transitional Arrangements**

All rateable values are reassessed at a general revaluation. The 2017 revaluation takes 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. Revaluation does not raise extra money for Government.

Whilst the 2017 revaluation will not increase the amount of rates collected nationally, within this overall picture, over 7 out of 10 ratepayers will receive a reduction or no change in their bill and some ratepayers will see increases.

For those that would otherwise see significant increases in their rates liability, the Government has put in place a £3.6 billion transitional relief scheme to limit and phase in changes in rate bills as a result of the 2017 revaluation. To help pay for the limits on increases in bills, there also have to be 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. Transition is calculated as follows:

TRANSITIONAL FORMULA (PROVINCES)  $BL \times \frac{X \times Q}{100} + \text{supplement}^{**}(\text{if applicable}) = \text{RATE DUE}^*$

BL = Rateable Value as at 31<sup>st</sup> March 2017 x 2016/17 Small Business non-domestic rating multiplier

#### HIGHER RATE BILL

(if Rate Due\* is below actual 2017 charge then Rate Due = payable amount)

X = 105.0 if 2017 Rateable Value 20,000 or under  
X = 112.5 if 2017 Rateable Value 20,001 to 100,000  
X = 142.0 if 2017 Rateable Value over 100,000

#### LOWER RATE BILL

(if Rate Due\* is above actual 2017 charge then Rate Due = payable amount)

X = 80.0 if 2017 Rateable Value 20,000 or under  
X = 90.0 if 2017 Rateable Value 20,001 to 100,000  
X = 95.9 if 2017 Rateable Value over 100,000

Q = 1.02 (\*\*supplement = 17/18 Rateable Value x 0.013p)

\*\*Supplement is built in to the standard Non-Domestic Multiplier for those properties with a Rateable Value in excess of 17,999 for 2016/17 and 50,999 for 2017/18 and has been set at 0.013p for both years. This supplement is not subject to transition.

Further information about transitional arrangements and other reliefs may be obtained from [www.bristol.gov.uk/business-rates](http://www.bristol.gov.uk/business-rates) or the [www.gov.uk/introduction-to-business-rates](http://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](http://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 unless the unoccupied property rate has been reduced by the Government by order. 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 your local authority. If the unoccupied property rate for the financial year has been reduced by order, it will be shown on the front of your bill.

The Government has introduced a temporary measure for unoccupied new builds from October 2013. Unoccupied new builds will be exempt from unoccupied property rates for up to 18 months (up to state aid limits) where the property comes on to the list between 1st October 2013 and 30th September 2016. The 18 month period includes the initial 3 or 6 month exemption and so properties may, if unoccupied, be exempt from non-domestic rates for up to an extra 15 or 12 months.

## **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**

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 rateable value of the property mentioned in (a), or 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.

An application for Small Business Rate Relief is not required. Where a ratepayer meets the eligibility criteria and has not received the relief they should contact their local authority. 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 the local authority 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).

The local authority has discretion to give further relief on the remaining bill. Full details can be obtained from the local authority.

### **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 for 2 years from 1st April 2017, to office space occupied by local newspapers. This is 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](http://www.gov.uk/government/consultations/the-case-for-a-business-rates-relief-for-local-newspapers).

### **Local Discounts**

Local authorities have a general power to grant discretionary local discounts. Full details can be obtained from the local authority.

### **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**

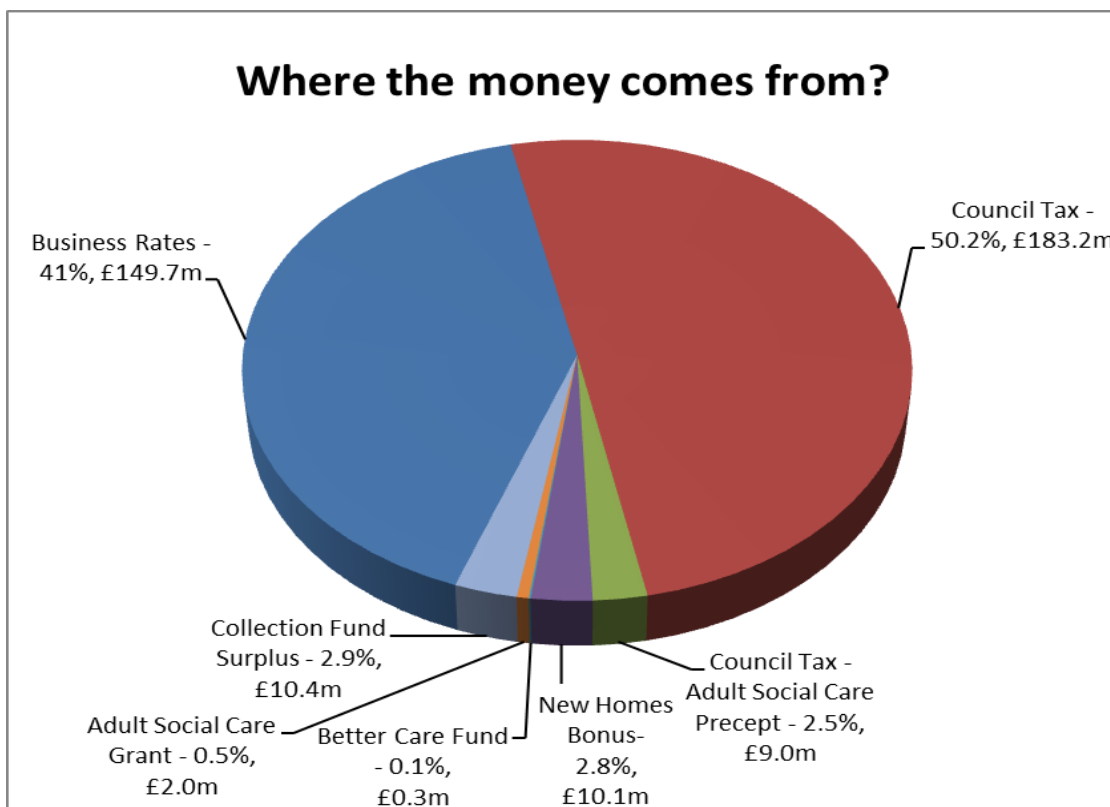
The local authority has discretion to give hardship relief in specific circumstances. Full details can be obtained from the local authority.

### **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](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.

**Information relating to the gross expenditure of the local authority:**



**Spending plans for 2017/18**

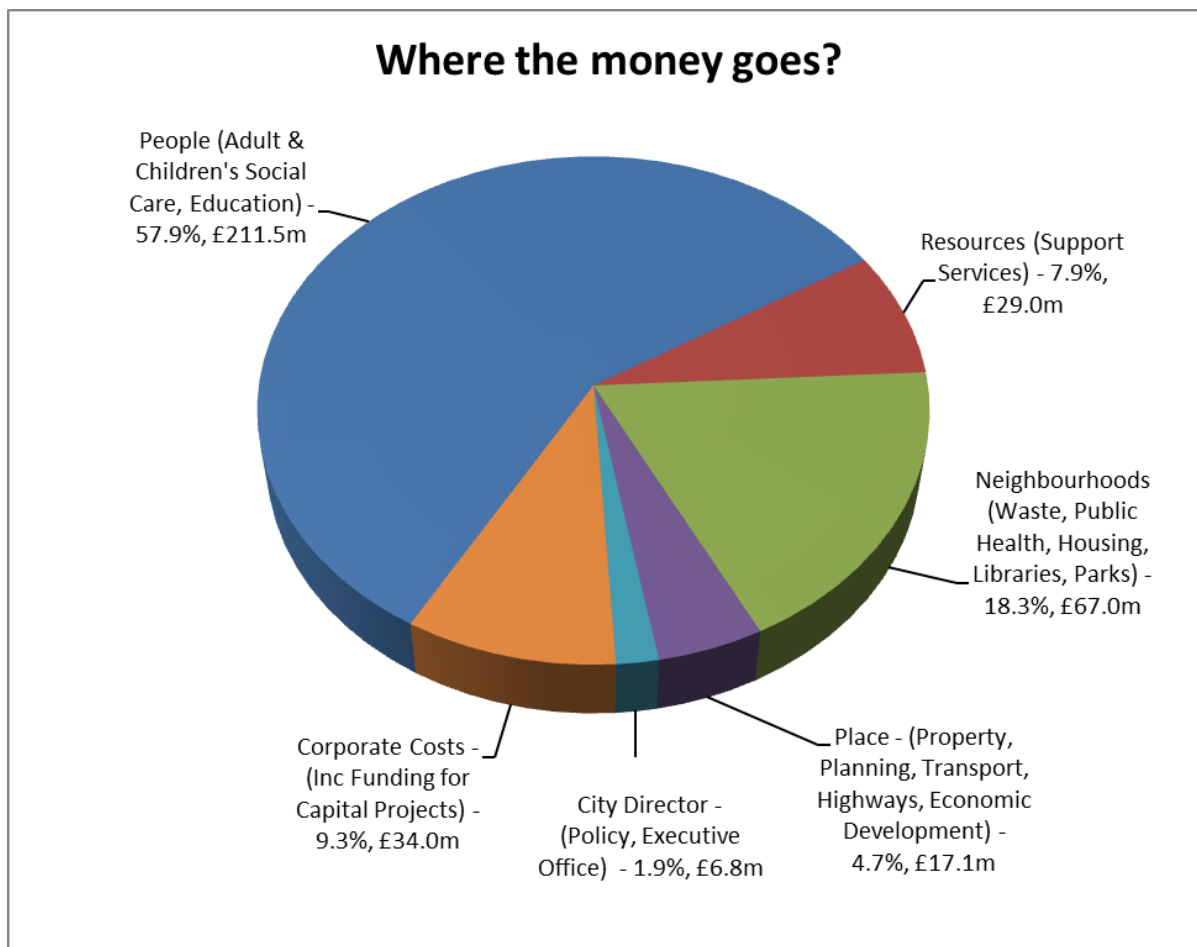
Bristol City Council's gross, or total spending on services in 2017/18 will be £1,066.7m (2016/17 £1,019.4m) including schools and welfare benefits. Spending by schools and on benefits is largely funded by the Government. This specific funding, together with the income we receive from people who use our services, amount to £702m in 2017/18 (2016/17 £674m), leaving a spending total of £364.7m (2016/17 £345.4m).

**Where the money will go**

Bristol City Council's total spending on services in 2017-18 will be £1,066.7m (2016/17 £1,019.4m) including schools and welfare benefits. Spending by schools and on benefits is largely funded by the Government. This specific funding, together with the income we

receive from people who use our services, amount to £702.0m in 2017/18 (2016/17 £674.0m), leaving a spending total of £364.7m (2016/17 £345.4m).

The chart below shows the net cost of running council services in each of the main areas for 2017/18, and includes employee costs, premises costs and supplies and services.



## Levies on the Council

The Council is also charged levies for flood defence, land drainage and management of the local marine environment. Details are shown in the table below.

Region	Gross Expenditure 2017/18 (£m)	Gross Expenditure 2016/17 (£m)	Total Levy Requirement 2017/18 (£m)	Total Levy Requirement 2016/17 (£m)	Levy on Council 2017/18 (£)	Levy on Council 2016/17 (£)
EA Midlands Severn	13	17.7	1.11	1.08	2,790	2,637
EA Southwest Region (Wessex)	26.5	30.5	3.53	3.46	430,483	404,716

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Lower Severn IDB	1.5	1.5	1.1	1.1	622,331	621,481
Devon and Severn IFCA	766.6	745.6	716.9	693.2	40,505	39,166

A hard copy is available on request by emailing [business.rates@bristol.gov.uk](mailto:business.rates@bristol.gov.uk) or by phoning 922 3300.