



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. Except in the City of London where special arrangements apply, the rates are pooled by central government and redistributed to local authorities according to the number of people living in the area. 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 your local authority and other local authority in your area.

Rateable Value

Apart from properties that are exempt from Business Rates, each non-domestic property has a rateable value which is normally set by the valuation officers of the Valuation Office Agency (VOA), an agency of the Inland Revenue. It draws up and maintains a full list of all rateable values, available on their website at 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 1st April 2010, this date was set as 1st April 2008.

The valuation officer may alter the value if the circumstances of the property have changed. 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 making appeals can be found on the VOA website or from your local valuation office.

Successful appeals against values shown in the rating list that came into force on 1st April 2010 will normally be backdated to that date, although there are exceptions to this. Further information about these arrangements may be found on the VOA website.

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. From 1st April 2010 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. The Government normally changes both multipliers every year in line with inflation. By law, the multipliers cannot go up by more than the rate of inflation apart from some minor adjustments to counteract losses from appeals and, in relation to the standard multiplier, to pay for small business rate relief. In the year of a revaluation it is 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.

Revaluation 2010 and Transitional Arrangements

All rateable Values are reassessed every five years. 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 1st April 2010, 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 Woking Borough Council or the website www.mybusinessrates.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 property 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 Woking Borough Council. 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 to award relief in respect of the unoccupied part. Full details can be obtained from the local authority.

Small Business Rate Relief

This is available at 50% for ratepayers occupying single properties with a rateable value up to £6,000, with relief declining in percentage terms on a sliding scale until it is 0% at £12,000.

The relief is only available to ratepayers with either-

- (a) one property, or (b) one main property and other additional properties providing those additional properties have rateable values less than £2,599.

The rateable value of the property mentioned in (a), or the aggregate rateable value of all properties mentioned in (b), must be under £17,999 outside London or £25,499 within London.

The scheme is funded through a supplement on the rate bills of those businesses not eligible for the relief. The supplement is built into the standard non-domestic rating multiplier. However, ratepayers of eligible business properties with rateable values between £12,000 and £17,999 (£25,499 within London) do not have to contribute towards the relief and will have their bills calculated using the lower small business non-domestic rating multiplier. Ratepayers will be required to apply only once between each revaluation. If a ratepayer ceases to be eligible on a day during the year in question, the relief will cease on that day. An application for relief must be submitted in writing to the local authority within 6 months of the end of the financial year to which it relates.

Full details on how to apply for this relief are available from the local authority.

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 the local authority.

Non-Profit Making Organisation Relief

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

Former Agricultural Premises Relief

Certain businesses set up on agricultural land or buildings that were previously exempt from the Non-Domestic Rate may be entitled to 50% relief if the property is occupied and the rateable value is less than £8,500. The local authority also has discretion to give further relief on the remaining bill. Full details can be obtained from the local authority.

Hardship Relief

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

Schedule of Payments for Certain Backdated Liabilities

Ratepayers who face certain backdated liability may be able to discharge that liability over up to 8 years by agreement with their billing authority. This may be possible only if the backdated liability has arisen as a result of an alteration to a ratings list. Further details are available from the 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.uk) 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.

For further information and to download application forms for relief please see
www.woking.gov.uk/business/businessrates