

# Business Rates Changes

July 2017

Glen Pritchard

# Revaluation

- New RVs take effect from 1<sup>st</sup> April 2017
- RVs based on rental value as at 1<sup>st</sup> April 2015
- The overall effect on RVs is as follows:

Category	England	South East	Kent	TMBC
Shop	+ 4.8%	+ 1.2%	-4.3%	+1.2%
Industrial	+ 4.0%	+ 6.7%	+ 3.9%	+4.0%
Office	+12.7%	+12.9%	+ 1.2%	+13.8%
Other	+15.9%	+17.8%	+20.9%	+11.9%

# Transition

- Deals with large RV increases/decreases
- Reliefs and surcharges
- Rates payable can only be increased/decreased by a set percentage
- Small properties (RV up to £20,000)
- Medium properties (RV £20,001 - £100,000)
- Large properties (RV over £100,000)

# Small Business Relief

- For RVs £12,000 or under, the relief will be 100%
- For RVs between £12,001 and £15,000 inclusive, relief will be tapered
- Properties with RV not exceeding £50,999 calculated using small business multiplier
- Second property threshold increased to £2,900
- The aggregate RV of all extra properties must not exceed £19,999

# Rural Rate Relief (Mandatory)

- Mandatory relief doubling from 50% to 100% for:
  - General stores
  - Village food shops
  - Public houses
  - Post Offices
  - Petrol filling station
- RV limits to remain unchanged
- Still awaiting regulations (General Election has delayed this)
- Discretionary relief awarded in meantime

**Reminder: Must be  
the only property of  
this type in the rural  
settlement area**

# Local Newspaper Relief

- For local newspaper offices
- Up to £1,500 relief for two years
- Does not include magazines or online publications
- Eligibility: “What most people would understand to be a traditional local newspaper”
- Subject to state aid limits (€200,000)

# Empty Property Exemption

- Properties below RV threshold exempt while empty
- From 1 April, RV is £2900 (previously £2600)

# Budget Changes

- No business, losing small business rate relief or rural rate relief, as a result of the revaluation will see their bill increase next year by more than £50 a month.
- To be called 'supporting small businesses relief'
- Additional relief awarded if 2017/18 charge increased by greater of:
  - a cash value of £600 per year (£50 per month), or
  - the matching cap on increases for small properties in the transitional relief scheme
- Guidance on the operation of the scheme received but waiting for system update!
- Very small number of businesses will be eligible



# Budget Changes

- Support for Pubs
- Pubs with RV below £100,000 will receive a £1,000 discount
- Discount only for 1 year (2017/18)
- DCLG has confirmed criteria, applications to be sent shortly

# Budget Changes

- Discretionary fund for 'hard pressed ratepayers'
- £300M available over 4 years
- Every council to be given a share to deliver targeted support through their discretionary relief scheme
- T&M allocation
  - 2017/18 £338,000
  - 2018/19 £164,000
  - 2019/20 £68,000
  - 2020/21 £10,000
- For 2017/18, a section 31 grant will be paid in four equal instalments, quarterly in arrears, with the first payment at the end of June
- We need to create a scheme for Member approval
- Delegated authority to Director of Finance & Transformation

# Any Questions?

