

BUSINESS RATES EXPLANATORY NOTES 2024/25

This document comprises part of your Business Rates Demand Notice.

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 taxpayers, 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 and at www.gloucester.gov.uk/business-economy/business-rates/.

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 ratepayers to pay over 12 monthly instalments. If you wish to take up this offer, you should contact us as soon as possible.

National Non-Domestic Rating Multiplier

Gloucester City 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 standard 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 (from 1 April 2024 this includes properties below the threshold which are vacant or occupied by charities) will have their bills calculated using the lower small business non-domestic rating multiplier, rather than the national non-domestic rating multiplier.

From 2024-25 the multipliers are independently linked to the Consumer Price Index (CPI) and each multiplier is set by the Government. 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. They compile and maintain a full list of all rateable values, available at 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 2021.

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: <https://www.gov.uk/business-rates-valuation-account>

Revaluations

All non-domestic property rateable values are reassessed at revaluations. The most recent revaluation took effect from 1st April 2023. Revaluations ensure that business rates bills are up to date, 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. Further details can be found at www.gov.uk/introduction-to-business-rates , and on our website www.gloucester.gov.uk/business-economy/reliefs-and-discounts/.

Temporary Reliefs

Some of the permanent reliefs are set out below but other temporary reliefs may be introduced by the Government at a fiscal event. Further detail on current temporary reliefs is available at www.gov.uk/apply-for-business-rate-relief . You should contact us for details on the latest availability of business rates reliefs and advice on whether you may qualify.

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, while eligible properties above the lower threshold and below a specified upper threshold may receive partial relief.

The relevant thresholds for relief are set out in regulations and can be obtained from our website or at 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 our website or at www.gov.uk/introduction-to-business-rates.

Certain changes in circumstances will need to be notified to us 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).

Gloucester City Council has discretion to give further relief on the remaining bill. Full details can be obtained from our website www.gloucester.gov.uk/business-economy/reliefs-and-discounts/charitable-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.

Transitional relief is applied automatically to bills. Further information about transitional arrangements may be obtained from the local authority or at www.gov.uk/introduction-to-business-rates

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 industrial premises, whilst certain other properties such as vacant listed buildings are not liable for business rates until they are reoccupied.

Full details on exemptions can be obtained from our website or from gov.uk at

www.gov.uk/apply-for-business-rate-relief.

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 our website or by contacting us.

Temporary Reliefs

2024/2025 Retail, Hospitality, and Leisure Scheme

At the Autumn Statement on 22 November 2023, the Chancellor announced the introduction of a new business rates relief scheme for retail, hospitality, and leisure properties. The 2024/25 Retail, Hospitality, and Leisure Business Rates Relief scheme will provide eligible, occupied, retail, hospitality, and leisure properties with a 75% relief, up to a cash cap limit of £110,000 per business. The scheme details and criteria can be found at [Business Rates Relief: 2024/25 Retail, Hospitality and Leisure Scheme](#)

Supporting Small Business Scheme

At the 2022 Autumn Statement the Chancellor announced that the 2023 Supporting Small Business (SSB) scheme will cap bill increases at £600 per year for any business losing eligibility for some or all Small Business Rate Relief at the 2023 revaluation. The scheme details and criteria can be found at [Business Rates Relief: 2023 Supporting Small Business Relief, local authority guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/business-rates-relief-2023-supporting-small-business-relief-local-authority-guidance)

Subsidy Control

The new UK subsidy control regime commenced from 4th January 2023. The new regime enables public authorities, including devolved administrations and local authorities, to deliver subsidies that are tailored for local needs. Public authorities giving subsidies must comply with the UK's international subsidy control commitments.

The subsidy control legislation provides the framework for a new, UK-wide subsidy control regime. Further information about subsidy control can be found on the gov.uk website at: <https://www.gov.uk/government/collections/subsidy-control-regime>.

Rating Advisers

Ratepayers do not have to be represented in discussions about their rateable value or 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) 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 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 in regard to the gross expenditure of the local authority is available at www.gloucester.gov.uk/council-tax/your-council-tax/what-is-council-tax/what-it-pays-for/. A hard copy is available on request by writing to the Council or by phoning 01452 396 396