

Non-Domestic Rates

Your guide 2023-24

EXPLANATORY NOTES

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 tax payers, 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, at the website of your local authority which is normally shown on your rates bill, or by contacting your local authority.

BUSINESS RATES INSTALMENTS

Payment of business rates bills is automatically set on a 10-monthly cycle. However, the Government has put in place regulations that allow ratepayers to require their local authority to enable payments to be made through 12 monthly instalments.

If you wish to take up this offer, you should contact your local authority as soon as possible.

NATIONAL NON-DOMESTIC RATING MULTIPLIER

The local authority 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 nondomestic 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 (and who are neither entitled to certain other mandatory relief[s] nor liable for unoccupied property rates) will have their bills calculated using the lower small business non-domestic rating multiplier, rather than the standard non-domestic rating multiplier.

Both multipliers for a financial year are based on the previous year's multiplier adjusted to reflect the Consumer Price Index (CPI) inflation figure for the September prior to the billing year, unless a lower 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 His 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 VOA 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 obtained by contacting the VOA, or by consulting the VOA website: www.gov.uk/guidance/how-to-check-your-rateable-value-is-correct.

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 and 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 their business rates bill). There are a range of available reliefs.

Further details are provided below and at www.gov.uk/introduction-to-business-rates, at the website of your local authority which is normally shown on your rates bill, or by contacting your local authority.

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 your local authority 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 a set threshold, the ratepayer may receive a percentage reduction in their rates bill for the 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 with a rateable value 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 by the Government by order and can be obtained from your local authority or at www.gov.uk/introduction-to-business-rates.

Generally, these percentage reductions (reliefs) are 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 by order.

The aggregate rateable value of all the properties mentioned in (b), must also not exceed an amount set by order. 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 your local authority or at www.gov.uk/introduction-to-business-rates. Certain changes in circumstances will need to be notified to the local authority 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 falling vacant, (b) the ratepayer taking up occupation of an additional property, or (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).The local authority has discretion to give further relief on the remaining bill.

Full details can be obtained from the local authority.

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.

LOCAL DISCOUNTS AND HARDSHIP RELIEF

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 the local authority.

UNOCCUPIED PROPERTY RATING

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 your local authority or from gov.uk at www.gov.uk/apply-for-business-rate-relief.

SUBSIDY CONTROL

The new UK subsidy control regime commenced from 4 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: www.gov.uk/government/collections/subsidy-control-regime.

RATING ADVISERS

Ratepayers do not have to be represented in discussions about the rateable value of their property 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) 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.gateshead.gov.uk/businessrates

A hard copy is available on request by contacting the Business Rate section at Gateshead Council:

businessrates@gateshead.gov.uk
0191 433 4726

WHEN A RATEPAYER MOVES INTO A PROPERTY - INFORMATION FOR OCCUPIERS, OWNERS AND AGENTS

You must notify Gateshead Council's Business Rates team as soon as you take occupation of a property so that a Business Rates bill can be issued for payment. The council may request a copy of your lease or similar agreement to ensure that the correct rate liability can be determined.

If you are the owner or agent for a property you must advise the Council's Business Rates team as soon as you have a new tenant as retrospective notifications of an occupier will not be considered without irrefutable evidence of occupation.

PAYMENT INFORMATION

Paying your accounts

The council recommends that you pay by direct debit, as this is an easy and safe way to pay and you have the option to pay on the 1st or 15th of each month.

To arrange payment by direct debit:

1. Complete our on-line application at www.gateshead.gov.uk/businessrates
2. Call the Business Rates Section on **0191 433 4726**

Please see the reverse of your bill for details of how and where payments can be made.

IMPORTANT

If you send one payment to be allocated between multiple accounts, ensure you email a remittance advice to: incomeremittances@gateshead.gov.uk

You must quote the account number shown on the bill when making payment. If you do not, Gateshead Council cannot be held responsible for payments not allocated to your account.

NON-PAYMENT

If you fail to pay any instalment on or before the due date, recovery action may be taken against you. This could mean additional costs being added to your account. A reminder notice may be issued at any time if an instalment has not been received by the due date.

Please note that only one reminder notice will be issued in any one year. If a second instalment is not paid at the due date then the full outstanding balance of the account, (not just the outstanding instalments up to that date) will become payable. Legal proceedings may then be started to recover the full outstanding balance. You may incur additional costs.

PAYMENT DIFFICULTIES

If you have any difficulties paying your non-domestic rate bill please contact the Business Rates section as soon as possible. Please do not leave the matter until legal proceedings have begun as this may result in you paying further costs.

CHANGES IN CIRCUMSTANCES

If your circumstances change in any way please notify the Business Rates section immediately.

HOW TO CONTACT THE COUNCIL

Please visit our website for more information relating to business rates
www.gateshead.gov.uk/businessrates

By email: **businessrates@gateshead.gov.uk**

By telephone: **0191 433 4726** on the following days:

Monday to Thursday 8:45am to 5:00pm and 8:45am to 4:30pm on a Friday

By post: Gateshead Council Business Rates Team, Civic Centre, Regent Street, Gateshead, NE8 1HH

BUSINESS SUPPORT INFORMATION

Advice and support for businesses impacted by COVID restrictions, including links to government funding, can be found at **Advice for businesses, self-employed and employers-Gateshead Council**

If you are looking to start a business or are an existing business that would benefit from support and guidance to navigate your way through the support available, please get in touch at **Business Gateshead-Get in touch**. You can access details of all our services for business at **Business Gateshead-Business Gateshead**

To receive news, event alerts and information on opportunities from Business Gateshead please sign up for our newsletter:
Business Gateshead-Sign up to our newsletter