

Insights

ARE YOU ELIGIBLE FOR BUSINESS RATES RELIEF? – SEEK ADVICE TODAY!

Jun 07, 2022

SUMMARY

An article exploring some of the options and potential issues of challenging non domestic business rates.

BUSINESS RATES RELIEF

Scenario

Since 2019, my business has occupied offices on an out of town business park. I am increasingly troubled by the amount of the rates that we are paying. I cannot believe that our premises are that valuable. Having resolved some other issues in our business, I am interested in exploring how to protest the amount we pay perhaps by writing to the local authority; after all, they are the ones who are sending the bill. What do you suggest?

Answer

Business rates are calculated by multiplying the rateable value of premises by the relevant non-domestic rating multiplier. The rateable value of business premises is its open market rental value on (currently) 1 April 2015, based on an estimate by the Valuation Office Agency (VOA). The local authority is not responsible for the rateable value assessed for your premises.

Your liability for business rates may be reduced if your property qualifies for business rates relief. There are a number of different types of relief including:

- **Transitional relief**, which is intended to shield ratepayers who would otherwise face a substantial rates increase as a result of a revaluation at the expense of those who would otherwise have seen a substantial reduction^[1]. As you have only been in the premises for the last 3 years, this relief does not apply to you.

- **Small business relief**, which applies to properties that have a rateable value of less than £15,000. This also appears unlikely to apply to you.
- **The Coronavirus Additional Relief Fund (CARF)** provides assistance to businesses adversely impacted by the pandemic response and who are not entitled to other reliefs. The relief applies to the 2021-22 financial year. CARF is managed by local authorities[2], each of whom can set their own deadline for applying. In some authorities, it is too late to apply. In others, the deadline is 30 June 2022, so there may still be time to apply. You should consider an application to your local authority (if its deadline has not passed) for a CARF award.

RATEABLE VALUE – CHECK, CHALLENGE, APPEAL

Apart from reliefs, you can protest the rateable value of your premises by engaging with the valuation officer through the VOA portal. However it is important to take account of the following issues:

- This process is best handled on your behalf by a rating surveyor who is registered with the portal. It takes time for a surveyor to be registered as the agent of the ratepayer on the portal, so you must act on this immediately.
- There is a further pressure point. The current rateable value of the property will be updated on 1 April 2023 as part of the nationwide revaluation of rateable properties. This means that your current rateable value will cease to have effect on 31 March 2023.
- The government has proposed a time limit for appeals against current rateable values. You may only make a proposal to reduce an excessive rateable value if you have completed the check stage (of the check, challenge, appeal process) *before 1 April 2023*.

REGULATIONS

Under the draft regulations[3], the ratepayer is dependent on the time taken by the valuation officer to respond to the ratepayer's initial request for a check of the valuation to comply with this time limit.

We are working with industry colleagues to propose changes to the draft regulations such that ratepayers can control for themselves whether or not they comply with the deadline. It seems unfair that the ratepayer could lose the right to challenge simply because of delay by the valuation officer.

Whether or not government accepts our amendments, the process for protesting a rateable value takes time. Therefore, the best advice to a ratepayer in your position is to seek professional rating surveying advice **today**.

This note reflects the rules in England.

[1] See the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016, [SI 2016/1265](#).

[2] We understand that some local authorities have been slow to engage with and implement CARF. If you have experienced problems with your local authority, please let us know.

[3] Out for consultation is a draft of The Non-Domestic Rating (Alteration of Lists and Appeals) (England) (Amendment) Regulations 2022.

This insight was originally authored by Roger Cohen.

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MEET THE TEAM



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