**Non-Domestic Rates**

**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 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

(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 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 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](http://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](http://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](http://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 <https://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:

<https://www.gov.uk/government/collections/subsidy-control-regime>.

**Rate Relief for Businesses in Rural Areas**

Certain types of properties in a rural settlement with a population below 3,000 may be

entitled to a discount. The property must be the only general store, the only post office or

a food shop and have a rateable value of less than £8,500, or the only public house or the

only petrol station and have a rateable value of less than £12,500. The property has to be

occupied. An eligible ratepayer is entitled to relief at 50% of the full charge whilst local

authorities are expected to use their local discount powers to grant 100% rural rate relief

to eligible ratepayers. Full details can be obtained from the local authority

**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.lincoln.gov.uk. A hard copy is available on request by writing to the local authority or at 01522 873342.