



Department for  
Communities and  
Local Government

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**Chief Finance Officers of English Billing Authorities**

**FOR THE ATTENTION OF THE BUSINESS RATES SECTION**

Dear Chief Finance Officer

**Business Rates Information Letter (3/2013); Confirmation of the 2013/14  
Non-Domestic Rate Multipliers and Additional Information**

This is the third business rates information letter to be issued by the Department for Communities and Local Government this year. Previous letters are available on the internet at:

<https://www.gov.uk/business-rates-information-letters>,

or for archived letters:

<http://webarchive.nationalarchives.gov.uk/20120919132719/http://www.communities.gov.uk/localgovernment/localgovernmentfinance/businessrates/busratesinformationletters/>.

**This letter covers:**

- **Confirmation of the 2013/14 National Non-Domestic Rate Multipliers**
- **Value of Q**
- **Costs of Tax Changes**

**Formal Notification of the Non-Domestic Rating Multipliers for 2013/2014**

1. Following the approval by the House of Commons on 13 February 2013 of the Local Government Finance Report (England) 2013/2014, the Secretary of

State has calculated the non-domestic rating multipliers for England for 2013/2014.

2. In accordance with the requirements of paragraph 6(1) of Schedule 7 to the Local Government Finance Act 1988 (inserted by paragraph 62 of the Local Government Act 2003), this Business Rates Information Letter serves notice on your authority that the non-domestic rating multiplier and the Small Business non-domestic rating multiplier for England for 2013/2014 are:

- **non-domestic rating multiplier 47.1p (0.471)**
- **small business non-domestic rating multiplier 46.2p (0.462)**

3. This notice confirms the provisional figure notified to you in Business Rate information Letter 11/2012 of 8 December 2012.

### **Value of Q**

4. We have received a number of requests from local billing authorities asking us to provide the value of “Q” (the inflation factor) for transitional relief purposes. The formula for calculating the value of “Q”, which uses the current and previous small business multipliers, is set out in regulation 8 of the *Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2009* (S.I. 2009/3343)

5. We would like to clarify that the Department has no power to specify the value of Q. Using the formula set out in the regulations our calculation of Q for 2013/2014 (based on the small business multiplier) is **1.027**. Authorities will need to independently satisfy themselves of the figure in accordance with the Regulations.

### **Costs of Tax Changes**

6. The Government has committed to fund the cost of tax changes which arise in England under the new business rates retention scheme. This provides an update on the funding arrangements.

7. The Chancellor announced in his Autumn Statement two such tax changes. They were:

- a further one year extension of the temporary increase in Small Business Rate Relief; and
- a new measure to extend empty property rate relief for empty new builds, starting on 1 October 2013.

8. The Government proposes to fund the costs of both measures based on authorities' actual costs.

9. In consequence, we will be asking authorities to record the cost (the total cost over and above the usual level of relief) of both measures on their 2013-14 NNDR3 returns. We will then fund authorities' 50% share through a Section 31 grant.

10. That does of course mean that final costs will not be known until mid 2014. Owing to the significant costs of the Small Business Rate Relief measure, we propose to provide an advance payment to authorities based on a proportion of estimated costs. We will discuss with our local authority working group how best to do that and will provide further details in due course. That group will also work through other outstanding details