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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 (1/2011)

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

www.communities.gov.uk/localgovernment/localgovernmentfinance/businessrates/busratesinformationletters/

This letter covers:

- **Confirmation of the 2011/12 National Non-Domestic Rate Multipliers**
- **Value of Q**
- **Backdated rates moratorium**
- **Rural rate relief for public houses**

Formal notification of the non-domestic rating multipliers for 2011/2012

1. Following the approval by the House of Commons on 9 February 2011 of the Local Government Finance Report (England) 2011/2012, the Secretary of State has calculated the non-domestic rating multipliers for England for 2011/2012.

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 BRIL serves notice on your authority that the non-domestic rating multiplier and the Small Business non-domestic rating multiplier for England for 2011/2012 are:

- **non-domestic rating multiplier 43.3p (0.433)**
- **small business non-domestic rating multiplier 42.6p (0.426)**

3. This notice confirms the provisional figure notified to you in the Communities Business Rate information Letter (BRIL) 11/2010 of 14 December 2010.

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 2011/2012 (based on the small business multiplier) is **1.047**. Authorities will need to independently satisfy themselves of the figure in accordance with the Regulations.

Extension of moratorium on payment of certain backdated business rates liabilities within the eight year schedule of payments scheme until 31 March 2012

6. This is important news that could benefit ratepayers in your area. Legislation has been laid in Parliament to extend the payment moratorium for ratepayers to discharge certain unexpected and significant outstanding backdated liabilities until 31 March 2012.

7. To give this freeze on payments effect, the Non-Domestic Rating (Collection and Enforcement) (Local Lists) (Amendment) (England) Regulations 2011 (SI number 2011/113) were laid in Parliament on 27 January 2011. A copy of the regulations can be found at:
www.legislation.gov.uk/uksi/2011/113/contents/made.

8. This change will allow ratepayers eligible for the schedule of payments scheme not to make payments towards certain backdated liabilities until 31 March 2012. This is an extension of the moratorium implemented in May 2010. Please refer to BRIL 7/2010 for information on the moratorium:
www.communities.gov.uk/publications/localgovernment/bril72010.

9. The criteria for entering into the schedule of payments agreement remains the same. Please refer to BRIL 2/2009 for information on this:
www.communities.gov.uk/archived/general-content/localgovernment/ratesletters2009/.

10. The moratorium is only in respect of certain outstanding backdated liabilities and not for ongoing liabilities which must be discharged in the usual manner. Please refer to BRIL 8/2010 for information on this:
www.communities.gov.uk/publications/localgovernment/bril82010.

Rural rate relief for public houses

11. We have been asked by the pubs industry to remind authorities of the circumstances in which public houses may qualify for discretionary Rural Rate Relief.

12. Local authorities are able, at their discretion, to provide relief of up to 100 per cent to rural businesses with rateable values of not more than £16,500 that are in designated rural areas, provided the business benefits the local community. Local authorities must also consider the interests of council tax payers when granting discretionary relief as they will be meeting some of the cost.

13. Mandatory relief of 50 per cent is available to the sole public house in a designated rural settlement so long as it has a rateable value of not more than £12,500. Local authorities have the discretion to top up that relief to 100 per cent.