



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 (4/2015)**

This is the fourth 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/government/collections/business-rates-information-letters>

or for archived letters:

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

- **Business Rates Retail Relief Increase**
- **The Council Tax and Non-Domestic Rating (Demand Notices) (England) (Amendment) Regulations 2015**
- **Backdated Appeals**
- **Business Rates Section 31 Grant Determinations**

**Business Rates Retail Relief Increase**

At Autumn Statement 2013 the Government announced that it would fund relief given by local authorities of up to £1,000 to all occupied retail properties with a rateable value of £50,000 or less, subject to State Aid de minimis limits,

in each of the years 2014-15 and 2015-16. Guidance about the operation and delivery of the retail relief was published in January 2014.

At Autumn Statement 2014 the Government announced that for 2015-16 the amount of retail relief for all occupied retail properties with a rateable value of £50,000 or less that the Government would fund would be increased up to £1500 per property.

The guidance originally published in January 2014 has been updated to reflect this change and can be found on the gov.uk website at:

<https://www.gov.uk/government/publications/business-rates-retail-relief>

The eligibility criteria as set out in the original guidance remain the same.

As the scheme moves into its second year you may wish to bear in mind that the Non-Domestic Rating (Discretionary Relief) Regulations 1989 (S.I. 1989/1059) require authorities to provide ratepayers with at least one year's notice in writing before any decision to revoke or vary a decision so as to increase the amount the ratepayer has to pay takes effect. Such a revocation or variation of a decision can only take effect at the end of a financial year. Therefore, when making an award for the retail relief for 2015-16, local authorities should make clear in writing that the retail relief is being given using their discretionary powers and will not continue beyond 31 March 2016.

### **The Council Tax and Non-Domestic Rating (Demand Notices) (England) (Amendment) Regulations 2015 No. 427**

These Regulations amend the Council Tax and Non-Domestic Rating (Demand Notices) (England) Regulations 2003 in relation to non-domestic rating demand notices only. They set out the matters that must be included in a demand notice for non-domestic rates, including the explanatory notes that must be provided in either the terms prescribed by that Schedule or substantially similar terms. The new explanatory notes reflect recent changes to non-domestic rating announced in the Autumn Statement (see Autumn Statement 2014).

The Regulations, which make the changes, were laid in Parliament on 3 March and will come into force on 1 April 2015. The statutory instrument can be found at the following link:

<http://www.legislation.gov.uk/ukxi/2015/427/contents/made>

### **Backdated Appeals**

When the Government postponed the 2015 business rates revaluation to 2017, it extended the period over which bills would be based on rateable values in the 2010 rating list. This also extended the period over which alterations to rateable values could be backdated. As a result, under the current arrangements, by March 2018, a business could potentially have received a business rates bill backdated for up to 8 years and ratepayers could have had 7 years in which to challenge the rateable value. This is an

excessively long period of uncertainty for both businesses and local government.

Therefore, the Government decided to address this. We have now changed the rules so that alterations to rateable values can only be backdated to the period between 1 April 2010 and 1 April 2015 for Valuation Office Agency alterations made before 1 April 2016 and ratepayers' appeals made before 1 April 2015. Regulations implementing this measure were laid on 3 March. The statutory instrument can be found at the following link:

<http://www.legislation.gov.uk/ukxi/2015/424/contents/made>

### **Business Rates Section 31 Grant Determinations**

We are aiming to make two Section 31 grant payments to authorities in the middle of this month.

One will be the new burden payment associated with implementing the 2013 Autumn Statement measures for 2014-15 bills, which we previously informed authorities had been assessed as being £4.6m.

The other will be to pay outstanding costs of £43m associated with authorities' tax loss in 2013-14 due to Autumn Statement changes. Authorities previously received interim payments, based on forecasts of costs, associated with the doubling of Small Business Rate Relief in 2013-14. This payment will provide the balance of those costs further to a reconciliation exercise based on authority outturn figures. The grant also recompenses authorities for their individual reduction in income in 2013-14 due to the temporary empty new builds exemption.

We will be writing to authority Chief Finance Officers to provide details of the calculation and individual allocations.