

Business Rates, Facts and Figures

Guide 2019-2020





Welcome to the Knight Frank comprehensive rates liability guide. The aim of this document is to provide ratepayers with a detailed breakdown of all the relevant facts and figures needed to accurately calculate their rate charges based on the 2017 Rating List.

The 2017 Rating List came into force on the 1st April 2017 and this heralded significant changes to Business Rates. The most notable change to rating in England is the introduction of Check, Challenge and Appeal (CCA). This is a new 3 step process to allow ratepayers to challenge and appeal their rateable value. Further details can be found on the Valuation Office Agency website.

Although the overall amount collected through Business Rates remains largely the same after a revaluation, the rates charged on individual businesses will vary significantly depending on changes to their Rateable Value (RV). It is important to understand that an RV is the Valuation Office Agency's estimate of the annual rental value of the property as at a statutorily fixed valuation date. This date is always fixed two years before the list commences and the 2017 valuation list antecedent date is 1st April 2015. The last time properties were revalued was April 2008 and it is the change in the property market over these seven years which has caused the significant changes in rateable values and Business Rates payments. The next valuation list will come into force on the 1st April 2021.

USING THIS GUIDE

In order to fully benefit from this guide, ratepayers will need to know their current RV. This can be found on any rate demand or on the Valuation Office Agency (VOA) website (www.voa.gov.uk). By applying the relevant adjusted Uniform Business Rate (UBR) multiplier to the respective RV the initial liability can be established.

Ratepayers can then use the information contained in this guide to check if they have entitlement to any reliefs or exemptions. Once these are applied, the chargeable amount will be calculated for the year. In certain cases, the above calculations may result in a different amount from that demanded, this would mainly occur when the property is subject to the transitional relief provisions. If this is the case, then the phasing limits on changes in liability can be found in this guide for England, Scotland and Wales.

FURTHER INFORMATION

Business Rates are subject to regular legislative review. This guide is limited to the information currently available. This edition was published in Q1 (2019-20 rating year). In order to ensure ratepayers are kept up to date, we would recommend subscribing to updates of this guide by using our website knightfrankrating.com or contact our Business Rates team;

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Key Points

ENGLAND

- Multiplier increased by CPI 2.4% - 2019-20 Small Multiplier – 0.491p, Standard Multiplier 0.504p.
- City of London supplement increased by 0.001p from 0.005p to 0.006p from 1st April 2019.
- Introduction of Retail Discount scheme. This delivers one third discount off the 'Net Business Rate Charge' for eligible retail businesses with a rateable value of less than £51,000, for two years from April 2019.
- The Rating (property in common occupation) and Council Tax (empty dwellings) Act came into force on 1st November 2018. Subsequently amended statutory instruments will allow any properties split as a result of Mazar's to be merged back together. These mergers can be backdated as far as 1st April 2010.
- The Government also announced intentions to bring forward primary legislation to grant 100% relief from Business Rates for 'designated' Public Toilets.
- Antecedent date for 2021 Valuation List set as 1st April 2019.

SCOTLAND

- Scottish Government have announced a cap on the increase in the Uniform Business Rates Multiplier at 2.1% 0.3% below CPI, limiting the increase to 0.490p for the 2019-20 rating year.
- Large Business Supplement to remain at 0.026p for Hereditaments with RV 51,000>
- New 100% relief from Business Rates for 10 years for any new 'Fibre Broadband Infrastructure'.
- Transitional Relief – RV threshold of £1.5m Hospitality and Office space in Aberdeen and Aberdeenshire – extended until March 2022.
- Extension of 'The New and Improved Property Relief' scheme for the 2019-20 rating year.
- A commitment to move to three yearly revaluations from 2022.

WALES

- Multiplier increased by CPI 2.4% - 2019-20 - Multiplier 0.526p.
- Small Business Rates Relief – Registered Childcare Premises – Relief enhanced to provide 100% relief to all registered childcare providers for a period of 3 years from 1st April 2019.
- High Street Rates Relief Scheme for retail premises with an RV under £50,000 extended for the 2019-20 year.
- Confirmation, Wales will replicate England in bringing forward the next valuation to 1st April 2021, following this a three year valuation cycle will be implemented. Antecedent date for 2021 Valuation List set as 1st April 2019.

England.

2019 — 2020



MULTIPLIERS

England Rate Year	Small* RV <£51,000	Standard	Greater London Incl BRS** RV £70,000>
2017/18	0.466p	0.479p	0.499p
2018/19	0.480p	0.493p	0.513p
2019/20	0.491p	0.504p	0.524p
2020/21***	0.503p	0.516p	0.536p

* Since April 2012, Authorities automatically apply the small UBR to any hereditament below the threshold. However, where the property is empty or the ratepayer does not qualify for SBRR then they will not be entitled to the small UBR.

*** Estimated figures based upon predicted CPI

City of London Supplement

Hereditaments located within the City of London will have an additional Supplement of 0.006p added to the Multipliers noted in the above table when their Business Rates are calculated.

Business Rates Supplement **

County Councils, Unitary District Councils and the Greater London Authority are entitled to levy a Business Rates Supplement (BRS) to fund additional projects that improve the economic development of their area. The ability to charge this additional levy was introduced on the 1st April 2010 and is subject to a maximum levy of 0.02p in every pound. To date, the only active scheme is in London to fund 'Crossrail', where a 2p levy on the UBR is charged to all businesses with assessments over RV £70,000.

TRANSITIONAL RELIEF SCHEME

The Transitional Relief Scheme phases in liabilities following a revaluation in order to ensure that ratepayers are not faced with significant changes at the start of the new rating list. The scheme works by taking the preceding year's rate liability (excluding any exemptions, reliefs or supplements including BRS), adjusting for the RPI Sept/Sept and applying the appropriate cap set out below.

SUPPORTING SMALL BUSINESS

The Transitional Relief Scheme does not provide support in respect of changes in reliefs. Therefore, those ratepayers who are losing some or all of their small business or rural rate relief may be facing very large percentage increases in bills. From the 1st April 2017, Central Government have introduced additional support for any small business that has a significant increase in their Rateable Value.

To help these ratepayers, the supporting small businesses relief will ensure that the increase per year in the bills of these ratepayers is limited to the greater of:

- A cash value of £600 per year (£50 per month). This cash minimum increase ensures that those ratepayers currently paying nothing or very small amounts are brought into paying something, or
- The matching cap on increases for small properties in the transitional relief scheme as noted in the table above.

Rate Year	Rate Year			Caps on Decreases		
	Small <RV 20,000*	Medium >RV 20,001** <RV 99,999	Large >RV 100,000	Small <RV 20,000*	Medium >RV 20,001** <RV 99,999	Large >RV 100,000
2017/18	5.00%	12.50%	42.00%	20.00%	10.00%	4.10%
2018/19	7.50%	17.50%	32.00%	30.00%	15.00%	4.60%
2019/20	10.00%	20.00%	49.00%	35.00%	20.00%	5.90%
2020/21	15.00%	25.00%	16.00%	55.00%	25.00%	5.80%

*RV £28,000 in London
** RV £28,001 in London

SMALL BUSINESS RATES RELIEF (SBRR) & RETAIL RELIEF (1ST APRIL 2019 - 31ST MARCH 2021):

Rateable Values (RV)	Relief
Up to £12,000	100% relief on main Hereditament*
£12,001 to £15,000	Currently tapered at 1% for every £30.00, but occupied qualifying retail premises** will be given an additional one third off the "Net" Business Charge.
£15,001 to £51,000	Currently no relief. Will have liability automatically calculated using the small UBR unless excluded. – Excluded properties include empty properties and ratepayers who are in receipt of Mandatory Relief. However with effect from 1st April 2019 a reduction of a third will be given on rates payable on occupied qualifying retail premises**

* Small Business Rates Relief is still applicable if a ratepayer occupies more than one property providing that all of other the properties except the one in receipt of the relief have a RV <£2,900 and combined, these properties do not exceed RV <£20,000 (RV <£28,000 in London)
**Includes but not limited to Shops (including, Car Hire, Car/Caravan Showrooms, Second Hand Car Lots, Markets, Petrol Stations, Garden Centres and Galleries (Where Art is Sold or Hired) Funeral Directors, Restaurants (including Takeaways, Sandwich Shops, Coffee Shops and Public Houses).

With effect from 14th February 2015, any ratepayer receiving SBRR that takes on an additional hereditament, which would disqualify them from receiving the relief, will continue to receive the existing relief for 12 months from the start date of liability on the additional hereditament.

For ratepayers who occupy qualifying retail premises** with an RV <£51,000, will receive a third off their rates payable for the 2019-20 & 2020-21 rate years subject to "de-minimus State Aid" limitations.

RURAL RATE RELIEF

Since 1st April 2017, the percentage relief awarded under Rural Rate Relief has doubled from 50% to 100%. Rural Rate Relief is available to the following businesses in designated rural settlements:

- A small food shop, general store or post office with a rateable value of up to £8,500
- The sole public house or petrol station with a rateable value of up to £12,500

EMPTY PROPERTIES

Since 1st April 2011, the threshold at which empty properties become liable to pay rates dropped from RV £18,000 to RV £2,600. As part of the 2017 revaluation this figure has been increased to RV £ 2,900.

Empty Property	Relief and Exemptions
Commercial	3 Months Exemption*
Industrial	6 Months Exemption*
Listed Building	Exempt
Vacant Land	Exempt
Ratepayer is a Charity	Exempt **
Ratepayer is an Amateur Sports Club	Exempt **
RV £2,900<	Exempt
Ratepayer in Administration or Receivership	Exempt

* Exemption applies when a property is newly assessed for rates or when it is vacated provided a period of "rateable occupation" exceeding 42 days has occurred.
** Exemption applies where Local Authority are of the view that the property will next be occupied by a Charity.

PARTIALLY EMPTY PROPERTIES

When a property is partially vacant for a short period, the ratepayer can apply to the Billing Authority for relief under Section 44A of the Local Government Finance Act 1988. The relief will apply to the vacant part in accordance with the table above. Granting of this relief is discretionary and the final decision rests with the Billing Authority.

DISCRETIONARY RELIEF AND LOCALISED DISCOUNT*

Since 1st April 2012, the discretionary relief regulations were amended to allow Billing Authorities to remit any liability or grant rate relief to any ratepayer. For any application made, the Council must consider that any award or remittance of rates is in the interest of the local 'Council Tax Payer'. This is because the Billing Authority is required to fund 50% of this relief from their own budget, with Central Government funding the remainder.

From 1st April 2017 to 31st March 2021, Central Government have established a discretionary fund to support those businesses that face the steepest increases in their Business Rates bills as a result of the 2017 revaluation. 300 Million Pounds has been allocated and this will reduce across the life of the fund. Each Billing Authority will be expected to use their share of the funding to develop their own discretionary relief schemes to deliver targeted support to the most hard-pressed ratepayers.

ENTERPRISE ZONES*

Since 1st April 2012, Billing Authorities are able to grant up to 100% relief to businesses located in a designated Enterprise Zone. In order to qualify, a business must already be located in the Zone or move in prior to 1st April 2018. The relief can also apply to empty properties and small businesses. The relief lasts for five years with a maximum grant of £275,000. In order to encourage Billing Authorities to grant this relief the Government has agreed to fund 100% of the cost.

LOCAL NEWSPAPER DISCOUNT*

Since 1st April 2017, for a period of two years, a discount of £1,500 will be available to office space occupied by local newspapers. This is restricted to one discount per local newspaper title and per hereditament. This relief has been extended for an additional year and will be available from the 1st April 2019 through until 31st March 2020.

PUBLIC TOILET RELIEF*

In the October 2018 budget, the chancellor announced his intention to bring forward primary legislation to grant a 100% relief from Business Rates for all standalone public toilets made available for public use whether publicly or privately owned.

SELF-CATERING AND HOLIDAY LET ACCOMMODATION

In England, if your property is available to let for 140 days or more per year for short term lets, it will be treated as commercial rather than domestic and be rated as a self-catering property and valued for Business Rates instead of being valued and banded for Council Tax.

**Relief is subject to State Aid – The De Minimis Regulations allow an undertaking to receive up to €200,000 'de minimis' aid over a rolling three year period.*

STUD FARMS

The stud farms rateable value discount has increased from £4,200 to £4,700. This is applied by the VOA at source.

RIGHT TO INCREASE INSTALMENTS

Since 1st April 2014, all ratepayers are entitled to pay their Business Rates over a 12-month instalment plan as opposed to the previous 10. To benefit in full any application for this must be made in writing before 14th April in the relevant year. Once applied for, this must carry forward to all subsequent years' liability.

WOOLWAY (VO) V MAZARS SUPREME COURT DETERMINATION – THE RATING (PROPERTY IN COMMON OCCUPATION) AND COUNCIL TAX (EMPTY DWELLINGS) ACT.

The above case, penalised businesses who occupied separate parts of a building without an exclusive access between them. Prior to the case businesses were able to have these parts assessed as one provided the parts were contiguous [vertically or horizontally touching]. The benefits of having a single assessment varied from qualifying for Small Business Rates Relief to securing quantum discounts of up to 25%. When the case overturned this rule, many Businesses lost their entitlement to small business rates relief and faced backdated charges through no fault of their making.

To rectify this issue the Government introduced the Rating (Property in common Occupation) and Council Tax (Empty Dwellings) Act which came into force on 1st November 2018. Subsequently amending statutory instruments have been issued and it is now possible to serve a proposal to redress the position in most cases. The legislation allows such a proposal to be served with effect from anytime as far back as 1st April 2010.

However, the deadline for this is 31st December 2019.



Scotland.

2019 — 2020

MULTIPLIERS

Scotland Rate Year	Large > RV £51,000	Standard
2017/18	0.492p	0.466p
2018/19	0.506p	0.480p
2019/20	0.516p	0.490p
2020/21*	0.529p	0.503p
2021/22*	0.541p	0.515p
* Estimated figures based upon predicted CPI		

TRANSITIONAL ARRANGEMENTS

Hotels and Public Houses – Additional Support

A national relief scheme was introduced on 1st April 2018 for any Hotel, Public House, Café or Restaurant that had a significant increase in their liability due to the 2017 Revaluation. Any increase in the yearly chargeable amount will be capped at 12.5%. The relief has been extended to the end of the 2017 ‘Scottish Rating List’ – 31st March 2022.

Office Space Aberdeen and Aberdeenshire – Additional Support

A local relief scheme was introduced from 1st April 2018 for any “Office Space” in Aberdeen and Aberdeenshire that had a significant increase in their liability due to the 2017 Revaluation. Any increase in the yearly chargeable amount will be capped at 12.5%. The relief has been extended to the end of the 2017 ‘Scottish Rating List’ – 31st March 2022.

* Both of the above transitional arrangements and relief are subject to “de-minimus State Aid” limits.

SMALL BUSINESS BONUS SCHEME

Businesses need to apply direct to the Billing Authority for relief under the Small Business Bonus Scheme.

Since 1st April 2017, the following relief is available if the Rateable Value of your property is £15,000 or less. Based on the total Rateable value (RV) of all your business premises, the following reliefs are available:

- RV up to £15,000 - 100% relief (i.e. no rates payable)
- RV £15,001 to £18,000 - 25% relief

Businesses who occupy a number of properties, with a combined rateable value less than £35,000 will have 25% relief applied to each property.

RURAL RATE RELIEF

Since the 1st April 2017, 100% relief is available on your Business Rates if your property is in a designated rural area with a population below 3,000 and it is:

- A small food shop, general store or post office with a rateable value below £8,500
- A small hotel, public house or petrol filling station with a rateable value of up to £12,750
- Any other business providing a benefit to the community with a rateable value of up to £17,000

RENEWABLE ENERGY RELIEF SCHEME+

Since 1st April 2010, certain renewable technologies are eligible for rate relief of up to 100%. This relief is granted on a sliding scale based on the size of RV as shown on the table below. It is subject to ‘de-minimus State Aid’ rules. From 1st April 2016 this relief was limited to only schemes incorporating community ownership. If your scheme has arrangements in place that entitle one or more community organisations to at least 15% of the annual profit, or so much of the annual profit as is attributable to 1 megawatt of the total installed capacity of the project (or more). To be eligible your scheme has to produce heat or power from any of the following sources:

- *Biomass*
- *Biofuels*
- *Fuel cells*
- *Photovoltaics*
- *Water (including waves and tides, but excluding production from the pumped storage of water)*
- *Wind*
- *Solar power*
- *Geothermal sources*

The generation activity should take place at the eligible property itself.

RV Threshold	% Relief
Up to £145,000	100%
£145,001 to £430,000	50%
£430,001 to £860,000	25%
£860,001 to £4,000,000	10%
Over £4,000,001	2.5%

If you have more than one business property, the RV’s are combined.

Renewable energy will also benefit from the following:

- Cap rates bill increases at 12.5% for small hydro schemes
- 50% relief for district heating schemes
- 25% relief for Hydro schemes with total installed capacity of no more than one megawatt.

New build properties may be eligible to receive relief for any new build renewable generation property that is built between 1 April 2016 and 31 March 2017. The property may be eligible to receive 10% rates relief if it has an RV up to £500,000 and 1.5% rates relief if above that figure.

Since 1 April 2018, Principal Regulations have been updated to allow relief of 60% for new builds solely used for generation of renewable heat or power (or both) from including waves and tides but excluding pumped storage of water. This relief is only available if the RV value of the scheme is less than £5 million.

CHARITABLE RATE RELIEF

Charities and amateur community sports clubs can apply for mandatory relief of up to 80% if a property is used wholly or mainly for charitable purposes. They may also qualify for additional discretionary relief+ of up to 20%. This is sometimes provided by Billing Authorities to top up certain reliefs to give charities and not-for-profit organisations extra help and remit any charge raised. If you run a non-profit recreation or sport club you’re not automatically entitled to relief, however the Billing Authority are able to grant discretionary relief of up to 100%.

DISABLED RELIEF

Properties used for care, training or welfare of disabled persons may be eligible for up to 100% relief.

DAY NURSERY RELIEF+

As of April 2018, 100% relief from Business Rates is applied to all day nurseries. To get this relief your premises must only be used as a nursery school, or mainly as a nursery school. This relief is effective until 31st March 2021. An application form must be submitted to the relevant Billing Authority before relief can be considered.

ENTERPRISE AREAS RELIEF

Businesses setting up or relocating to an Enterprise Area site and doing work in certain sectors may qualify for this rates relief, which offers up to 100% relief up until March 2020.

NEW FIBRE BROADBAND INFRASTRUCTURE

Any 'New Fibre Broadband Infrastructure' will be eligible for relief from 1 April 2019. This relief will be available for a period of 10 years.

DISTRICT HEATING RELIEF

50% relief can be awarded on your Business Rates if your premises is only being used for a district heating network, or mainly being used for a district heating network.

EMPTY PROPERTIES

From 1 April 2016, all empty properties can get 50% relief from Business Rates for the first 3 months they are empty, they can then get a 10% discount once that has ended. Empty industrial properties can get full relief from Business Rates for the first 6 months that they are empty. They can then get a 10% discount after that.

Relief of 100% is continuously applicable in the following circumstances:

- *Hereditament is a listed building*
- *Hereditament has a RV under £1,700*
- *Hereditament is owned by a trustee for sequestration, liquidation or executors*
- *The company who owns the hereditament has been wound up*
- *By Law, the hereditament cannot be occupied*
- *The hereditament is under a compulsory purchase order*
- *Assessment has no buildings (empty ground)*

FRESH START+

New ratepayers who take occupation of a property after 1st April 2018 which has previously been vacant for at least 6 months can apply for 100% relief for the following 12 months. The RV of the property must be under £65,000. From 1st April 2019 this relief is applicable to all types of 'Non-Domestic properties'.

ENTERPRISE ZONE RELIEF+

Businesses moving into an Enterprise Zone can qualify for up to 100% relief until March 2020. This scheme is the same as set out for England.

LOCAL RELIEFS+

Billing Authorities have the ability to grant local discretionary reliefs (removed full stop) however, there is no contribution towards these costs from Central Government. This is in contrast to England where currently 25% - 50% is covered by Central Government.

BUSINESS GROWTH ACCELERATOR RELIEF

You might be able to get Business Growth Accelerator relief if:

- *Your premises is a new build property*
- *You have to expand or make improvements to your property*

THE NEW AND IMPROVED PROPERTY RELIEF

The Government have announced that qualifying Ratepayers will be eligible for this relief for the 2019-20 rating year.

New Build Properties

- *If your premises is a new build you won't have to pay Business Rates until 12 months after the building was completed.*
- *Business Rates also do not have to be paid on new builds until they are occupied. New tenants will then qualify for business growth accelerator relief for 12 months.*

Expanding or making improvements to your premises

- *If you have to expand or make improvements to your property the Business Rates you are charged won't change for 12 months.*
- *They will continue to be based on your old RV for this period of time.*

EXEMPTIONS (*Exempted Buildings*)

Agricultural Land and Buildings including Fish Farms, Roads, Public Parks, Properties used as places of religious worship or Church Halls, properties used for the Training and/ or Welfare of Disabled People and offshore properties are exempt. From 1st April 2017, all exemptions on deer forests and Estate shoots will be removed for the first time since 1995.

SELF-CATERING AND HOLIDAY LET ACCOMMODATION

In Scotland if your property is available to let for 140 days or more per year for short term lets, it will be treated as commercial rather than domestic and be rated as a self-catering property and valued for Business Rates instead of being valued and banded for Council Tax.

Business Rates may be payable if you run a guesthouse or a more significant bed and breakfast for more than 6 people at any one time. Business Rates will be payable regardless of how many days your house or rooms are available to let.

+ Relief is subject to State Aid - The De Minimis Regulations allow an undertaking to receive up to €200,000 'de minimis' aid over a rolling three-year period.

Wales.

2019 — 2020

MULTIPLIERS

Wales Rate Year	All Properties
2017/18	0.499p
2018/19	0.514p
2019/20	0.526p
2020/21*	0.539p

*Estimated figures based upon predicted CPI also is there any reason for the indentation of text under targeted high street relief.

UNIFORM BUSINESS RATE

In Wales there is no separate UBR supplement for large properties.

TRANSITIONAL RELIEF

All businesses in receipt of Small Business Rate Relief (SBRR) on 31st March 2017 who are facing increases in Rateable Value as a result of the revaluation will have transitional relief applied. This relief will apply even if the business no longer qualifies for any SBRR from 1st April 2017. The increases in liability will be phased in over three years, 25%, 50% & 75% & respectively. Any increase for the 2019-20 Year will be phased in at 75%.

SMALL BUSINESS RATES RELIEF

A new permanent scheme came into force on 1 April 2018. The Welsh Government provides Non-Domestic rates relief to eligible small businesses.

- *Eligible business premises with a RV of up to £6,000 will receive 100% relief; and*
- *Those with a RV between £6,001 and £12,000 will receive relief on a tapered basis from 100% to zero*

The following types of businesses will continue to get relief as follows:

Registered Childcare Premises

- *Eligible registered childcare premises with a RV of up to £6,000 receive 100% relief; and*
- *Those with a RV between £6,001 and £20,500 receive relief on a tapered basis from 100% to zero.*

From the 1st April 2019, The Small Business Rates Scheme for “Childcare Providers” will be extended to provide 100% relief to all “Registered Childcare Providers” in Wales. This higher level of relief will be effective until 31st March 2022 - during this the Welsh Assembly will be evaluating the effectiveness of the relief.

Post Offices

- Post offices with a RV up to £9,000 receive 100% relief
- Post offices with a RV between £9,001 and £12,000 receive 50% relief

Multiple Occupation Limit

Where a ratepayer is liable for more than two properties on a single local Non-Domestic rating list (‘local list’), and those properties meet only the RV conditions, the ratepayer will only receive relief for a maximum of two such properties.

TARGETED HIGH STREET RATE RELIEF+

Since the 1st April 2017, two tiers of additional relief are available for High Street retailers such as shops, pubs, restaurants and cafés.

This relief has been carried forward from the 2017-18 rating year to the 2018-19 rating year and subsequently to the 2019-20 rating year, however relief awarded has been reduced by 50%.

Relief will be up to £250.00 (Tier 1) or up to £750.00 (Tier 2), to eligible High Street retailers occupying premises with a RV of £50,000 or less in the 2017 Rating List financial years, subject to State Aid limits.

Tier 1 properties are those meeting the high street criteria and in receipt of Small Business Rates Relief or Transitional relief on 1 April 2017.

Tier 2 properties are those meeting the High Street criteria and not in receipt of Small Business Rates Relief or Transitional Relief on 1 April 2017 as well as seeing an increase in liability because of the 2017 revaluation.

It will be for individual Billing Authorities to decide in each individual case when to grant relief, which will be available from 1 April 2019 to 31st March 2020.

CHARITABLE RATE RELIEF+

If your property is occupied by a registered charity or community amateur sports club, and used for charitable purposes, you automatically qualify for 80% mandatory rates relief. You may qualify for relief of up to 100% at the discretion of the Billing Authority if your property is occupied by a non-profit making body.

HARDSHIP RELIEF+

Billing Authorities can also grant hardship relief to businesses if they believe that it is in the interests of the local community to do so.

EMPTY PROPERTY: RELIEF AND EXEMPTIONS

Since 1st April 2011, the threshold at which empty properties become liable to pay rates dropped from £18,000 to £2,600. The remaining reliefs are the same as those in England and are set out below:

Commercial	3 Months Exemption*
Industrial	6 Months Exemption*
Listed Building	Exempt
Vacant Land	Exempt
Ratepayer is a Charity	Exempt **
Ratepayer is an Amateur Sports Club	Exempt **
RV £2,600<	Exempt
Ratepayer in Administration or Receivership	Exempt

* Exemption applies when property is newly assessed for rates or when it is vacated provided a period of “rateable occupation” exceeding 42 days has occurred

** Exemption applies where Local Authority are of the view that the property will next be occupied by a Charity.

ENTERPRISE ZONES BUSINESS RATES SCHEME+

The Enterprise Zones Business Rates Scheme was introduced as a means of providing small and medium sized enterprises (SMEs) in Enterprise Zones with support in paying their Business Rates bills. The scheme targets SMEs demonstrating business growth characteristics, that is, new starts or those increasing the size of their full time workforce. It forms part of the wider set of actions aimed at delivering growth and sustainable jobs in each Enterprise Zone. The scheme is only available within specific time frames.

HYDROPOWER PROJECTS+

Grants are available to help eligible hydropower projects with their Business Rates. Hydropower projects extract energy from water courses to generate electricity. Hydropower projects with an RV of up to £50,000 can apply for support for 2017-18 and for 2018-19 (retrospectively)

SELF-CATERING PROPERTIES

In Wales, if your property is commercially available for short term self-catering lets, provided certain criteria are met it will be rated and valued for Business Rates rather than be valued and banded for Council tax. From 1 April 2010 in Wales, self-catering property is 'Non-domestic' and therefore liable for 'Non-Domestic Rates', if:

- The property will be available for letting commercially as self-catering accommodation for short periods totaling 140 days or more in the following 12 month period
- The ratepayer's interest in the property enables them to let it for such periods
- In the 12 months prior to assessment it has been available for letting commercially as self-catering accommodation for short periods totaling 140 days or more
- The short periods it has actually been commercially let for amounted to at least 70 days during that period

From 1 April 2016 in Wales, the criteria above will continue to apply but there is also a new provision so that: Businesses consisting of several self-catering properties at the same location or within very close proximity, have the option to average the number of letting days of the properties to meet the 70-day criterion where they are let by the same or connected businesses.

+ Relief is subject to State Aid - The De Minimis Regulations allow an undertaking to receive up to €200,000 'de minimis' aid over a rolling three-year period.



BUSINESS IMPROVEMENT DISTRICT (*BID LEVY*) – *England, Scotland and Wales*

- A BID levy is an additional charge placed against each relevant property within a defined geographical area
- The BID levy is designed to enhance the designated area that it covers, for the benefit of all businesses – this could include but not limited to; Additional Police, Improved Signage, Remedial Work to Improve the Area, Localised events
- Must be voted in by resolution and a ‘yes’ vote must account for 50% of the ratepayers and those ratepayers must have 50% of the aggregate RV charge within the designated area
- A BID levy is usual payable by the occupier of the property, in the cases of empty properties the owner will be liable
- A BID Levy is usually for a period of 5 Years, however an annual liability is charged
- If liability starts during a BID levy period, levy will start from that date. However, ratepayer will have no right to vote until the next resolution
- The BID levy can be capped
- The BID levy is based upon the RV of the property – this is usually a %
- The BID Levy for the entire period of the BID can be based upon the RV on a set date (e.g. Period 1st April 2015 - 31st March 2020 could be based upon the RV on 1st April 2015 and any RV amendments would be ignored)
- An independent company administers the BID funds, however in most cases the collection and enforcement is conducted by the Billing Authority that the designated BID area falls within
- Payment is compulsory and failure to pay can result in recovery action being taken in the same manner as for the non-payment of Business Rates
- Exemptions and Discounts are discretionary and the offering of these are individual to each BID Company and scheme
- BID schemes can place the charge against the “Legal” owner (both freehold and leasehold – subject to certain conditions) rather than the occupier of a relevant assessment, however, there are only a handful of owner BID schemes currently operating within the United Kingdom.



INFLATION

Current & Forecast

All UBR and transitional arrangements are subject to adjustment by the rate of inflation. This is based on the Sept/Sept actual CPI. We have adopted the Government’s Office of Budget Responsibility CPI Forecast. Please see table below

Rate Year	Estimated CPI
2017-18	2.00% Actual
2018-19	3.00% Actual
2019-20	2.40% Actual
2020-21	1.80%
2021-22	2.00%

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The four ingredients which set Knight Frank apart are our independence, our global network, and our commercial and residential platforms.

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Business Rates are subject to regular legislative review. This guide is limited to the information currently available as of 1st April 2019. This edition was published in Q1 2019-20. In order to ensure ratepayers are kept up to date, we recommend visiting our website knightfrankrating.com for updates or contact our business rates team to receive email updates or request further information: E: ratepayment@knightfrank.co.uk, T: +44 20 3897 0024

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