

The image features a background photograph of four diverse professionals (two men and two women) collaborating around a laptop. The scene is overlaid with large, semi-transparent teal shapes. In the top left corner, the CIVICA logo is displayed in white, with the tagline 'Transforming the way you work' below it. At the bottom, a teal banner contains the title 'Business Rates Update 2019/20' and the date 'January 2019' in white text.

CIVICA

Transforming the way you work

Business Rates Update 2019/20

January 2019

What are Business Rates?

- ▶ Introduction
- ▶ A charge on all Non Domestic Properties
- ▶ Rateable values set by the Valuation Office Agency and based on the assumed market rental value of the property at 1st April 2015
- ▶ Rates Retention since 1st April 2013
- ▶ Local Authorities are rewarded for growth i.e. bringing new Businesses into the area and there is a Safety net to protect Council's from substantial losses in appeals or significant closures
- ▶ Central Government policy intent to increase national retention levels to 75% from 2020/21 rather than 100% as previously stated. Kent and Medway are part of a pilot from 2018/19.

2019 More of the same but with some changes

- ▶ Small Business Rates Relief Scheme to continue
- ▶ Retail Relief Scheme, 1/3 off the net bill (after other reliefs) for qualifying properties. Details on our website shortly
- ▶ Year 3 of Supporting Small Business, affected cases will pay at least £600 more per annum. Transitional Scheme Year 3 – Increased and reduced bills
- ▶ Rural Settlement Relief, 100% relief scheme extended for 2019/20. Local Newspaper Relief to continue, Pub Relief to cease
- ▶ Discretionary Fund Year 3, reduced amount available.
- ▶ Multipliers calculated using CPI rather than RPI. An increase of 2.4%. The Provisional Multipliers are 49.1p and 50.4p in the £
- ▶ Central Government push for Digital Bills, have you signed up?

Reliefs and Exemptions

- ▶ Charities and Non Profit making organisations
- ▶ Small Business Rates Relief
- ▶ Empty properties and empty rate exemptions
- ▶ Discretionary Reliefs under the Localism Act
- ▶ Hardship Relief

Retail discount

- ▶ New discount announced in Autumn Budget
- ▶ For occupied retail businesses with a rateable value of less than £51,000
- ▶ For two years, 2019-20 and 2020-21
- ▶ Reduction of 1/3 of the NET bill – after all other reliefs applied
- ▶ Properties that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments
- ▶ Subject to State Aid law.
 - De Minimis Regulations allow to receive up to €200,000 of De Minimis aid in the three year period (current financial year and previous two financial years)

- Eligible properties

- Shops (butchers, bakers, grocers, jewellers, stationers, off licences, newsagents, chemists, supermarkets etc)
- Charity shops
- Opticians
- Post Offices
- Furnishing shops / display rooms
- Markets
- Petrol Stations
- Garden Centres
- Art galleries (where art is for sale/hire)
- Hair & beauty services
- Shoe repairs / key cutting
- Travel agents
- Ticket offices
- Dry cleaners
- Launderettes
- PC / TV / domestic appliance repair
- Funeral directors
- Photo processing
- Tool hire
- Car hire
- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Cafes
- Pubs
- Bars
- Nightclubs & music venues (that have a bar)

- Ineligible properties

- Financial services
 - Banks
 - Building societies
 - Cash points, bureaux de change
 - Payday lenders
 - Betting shops
 - Pawn brokers
- Other services
 - Estate agents
 - Letting agents
 - Employment agencies
- Medical services
 - Doctors
 - Dentists
 - Osteopaths
 - Chiropractors

- Professional services
 - Solicitors
 - Accountants
 - Insurance agents / financial advisors
 - Tutors
- Post Office sorting offices
- Cinemas, theatres & museums
- Nightclubs & music venues (that don't have a bar)
- Sport or physical recreation
 - Gyms

Examples

▶ Example one

- Occupied shop with a rateable value of £40,000
 - Gross rates = £40,000 x 0.491 = £19,640
 - Retail discount (1/3): = -£6,547
 - Rates due (after retail discount): = £13,093

▶ Example two

- Occupied shop with a rateable value of £13,500 eligible for Small Business Rate Relief (SBRR)
 - Gross rates = £13,500 x 0.491 =£6,629
 - Net rates after SBRR (50%): =£3,314
 - Retail discount (1/3): = -£1,105
 - Rates due =£2,210

▶ Example three

- Occupied shop with a rateable value of £40,000 eligible for Transitional Relief (TR) and receiving Local Discretionary Discount
 - Gross rates (before any reliefs) = $£40,000 \times 0.491$ = £19,640
 - Transitional Relief (say): = -£1,500
 - Net rates after Transitional Relief: = £18,140
 - Net rates after Local Discretionary Relief (say): = £15,140
 - Retail discount (1/3): = -£5,047
 - Rates due (after TR, local relief and retail discount): = £10,093

▶ Example four

- Occupied shop with a rateable value of £18,000 previously paying nothing prior to revaluation 2017 and eligible for Supporting Small Businesses Relief (SSB)
 - Gross rates (before any reliefs) = $£18,000 \times 0.491$ = £8,838
 - Supporting Small Businesses Relief (say): = -£7,038
 - Net rates after SSB: = £1,800
 - Retail discount (1/3): = -£600
 - Rates due (after SSB and retail discount): = 1,200

Payment & Billing Options

- ▶ Government desire to enable electronic billing, this service is already available and to sign up go to www.canterbury.gov.uk/businessrates
- ▶ Explanatory notes will be on the Council's website
- ▶ Pay by Direct Debit, Online Banking and Telephone payments
- ▶ 10 or 12 monthly instalments ?
- ▶ You will soon have the ability to view your Business Rates account online via the Council's website. You will be able to check when you have payments due, your rateable value and annual charges. This has been developed and should be available shortly. More information will be on our website in the coming months

Recovery

- ▶ Recovery processes set down in law (Bill, Reminder, Final Notice if applicable, Summons, Liability Order)
- ▶ Arrangements
- ▶ Enforcement Agents
- ▶ Further recovery action (Insolvency)
- ▶ Phoenix companies
- ▶ We have a highly skilled team that wants to help you, please call us !!!!

Final Thoughts

- ▶ High collection rates are essential to pay for Council Services
- ▶ Many challenges and changes within the next few years
- ▶ We are always happy to help
- ▶ Any questions?

Thank you

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