

The CIVICA logo is displayed in a white, sans-serif font. The letters are bold and evenly spaced. The background of the slide features a photograph of four diverse people (two men and two women) looking at a laptop and a smartphone. The image is overlaid with large, semi-transparent teal shapes that resemble stylized human figures or abstract forms. The overall color palette is teal and white.

**CIVICA**

Transforming the way you work

# Business Rates Update 2020/21

March 2020

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## 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 1<sup>st</sup> April 2015
- ▶ Rates Retention since 1<sup>st</sup> 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

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## 2020...some major changes announced

- ▶ Small Business Rates Relief Scheme to continue
- ▶ Expanded Retail Relief Scheme, 100% off the net bill (after other reliefs) for qualifying properties. Situation evolving, so updates will be posted on our website
- ▶ Year 4 of Supporting Small Business, affected cases will pay at least £600 more per annum. Transitional Scheme Year 4 – Increased and reduced bills
- ▶ Rural Settlement Relief, 100% relief scheme extended for 2020/21. Local Newspaper Relief to continue for the next 5 years, Pub Relief reintroduced at increased level, but now superseded.
- ▶ Discretionary Fund Year 4, significantly reduced amount available.
- ▶ Multipliers calculated using CPI rather than RPI. Multipliers for 2020/21 are 49.9p and 51.2p in the £
- ▶ Central Government push for Digital Bills, have you signed up?

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## 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

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## Retail discount

- ▶ New discount announced in Autumn Budget for 2019/20
- ▶ 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)

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- 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)

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- 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

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## Expanded Retail discount – 2020/21

- ▶ In response to Coronavirus pandemic
- ▶ For occupied retail, leisure and hospitality businesses for 2020/21
- ▶ Reduction of 100% of the NET bill – after all other reliefs applied. No business rates will be payable by these businesses in 2020/21. Otherwise referred to as 'business rates holiday'
- ▶ List of properties that are included has been greatly expanded. Previously eligible properties included, but many more added
- ▶ Subject to State Aid law.
  - Caution: we are still awaiting confirmation as to whether or not state aid limits will apply to expanded retail discount



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- Newly eligible properties

- Cinemas
- Live music venues
- Sports grounds and clubs
- Museums and art galleries
- Nightclubs
- Sport and leisure facilities
- Stately homes and historic houses
- Theatres
- Tourist attractions
- Gyms
- Public halls
- Clubhouses, clubs and institutions
- Hotels, guest and boarding houses
- Holiday homes
- Caravan parks and sites

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## Examples

### ▶ Example one

- Occupied shop with a rateable value of £40,000
  - Gross rates = £40,000 x 0.499 = £19,960
  - Retail discount (100%): = -£19,960
  - Rates due (after retail discount): = £0.00

### ▶ Example two

- Occupied shop with a rateable value of £13,500 eligible for Small Business Rate Relief (SBRR)
  - Gross rates = £13,500 x 0.499 =£6,736.50
  - Net rates after SBRR (50%): =£3,368.25
  - Retail discount (100%): =-£3,368.25
  - Rates due =£0.00

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### ▶ 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) =  $£40,000 \times 0.499$  = £19,960
  - Transitional Relief (say): = -£1,500
  - Net rates after Transitional Relief: = £18,460
  - Net rates after Local Discretionary Relief (say): = £17,990
  - Retail discount (100%): = -£17,990
  - Rates due (after TR, local relief and retail discount): = £0.00

### ▶ 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) =  $£18,000 \times 0.49$  = £8,982.00
  - Supporting Small Businesses Relief (say): = -£6,582
  - Net rates after SSB: = £2,400
  - Retail discount (100%): = -£2,400
  - Rates due (after SSB and retail discount): = £0.00

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## Other COVID 19 measures

### ▶ Nursery discount

- All non Local Authority childcare providers to receive 100% business rates discount in 2020/21

### ▶ Small business grants

- Businesses in receipt of Small Business Rate relief on 11 March 2020 will receive a grant of £10,000
- Retail businesses with a rateable value up to 15,000 will receive a grant of £10,000

### ▶ Retail grants

- Retail businesses with a rateable value of between 15,001 and 51,000 will receive a grant of up to £25,000

#### • Grant exclusions

- Car parks and parking spaces.
- Properties occupied for personal use (like beach huts, private stables, loose boxes and moorings).
- Businesses that were dissolved or in liquidation on 11 March 2020.

- Information can be found at:

[https://www.canterbury.gov.uk/info/20033/business\\_rates/348/cash\\_grants\\_for\\_businesses](https://www.canterbury.gov.uk/info/20033/business_rates/348/cash_grants_for_businesses)

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## Payment & Billing Options

- ▶ Government desire to enable electronic billing, this service is already available and to sign up go to [www.canterbury.gov.uk/paperlessrates](http://www.canterbury.gov.uk/paperlessrates)
- ▶ Explanatory notes are on the Council's website – these do not include COVID19 changes
- ▶ Pay by Direct Debit, Online Banking and Telephone payments
- ▶ Pay over 10 or 12 monthly instalments

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## 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 !!!!

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## Useful information

- ▶ Our website [www.canterbury.gov.uk/businessrates](http://www.canterbury.gov.uk/businessrates)
- ▶ Valuation Office Agency [www.gov.uk/voa](http://www.gov.uk/voa)
- ▶ General business rate information <https://www.gov.uk/introduction-to-business-rates>

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## Final Thoughts

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

Thank you

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