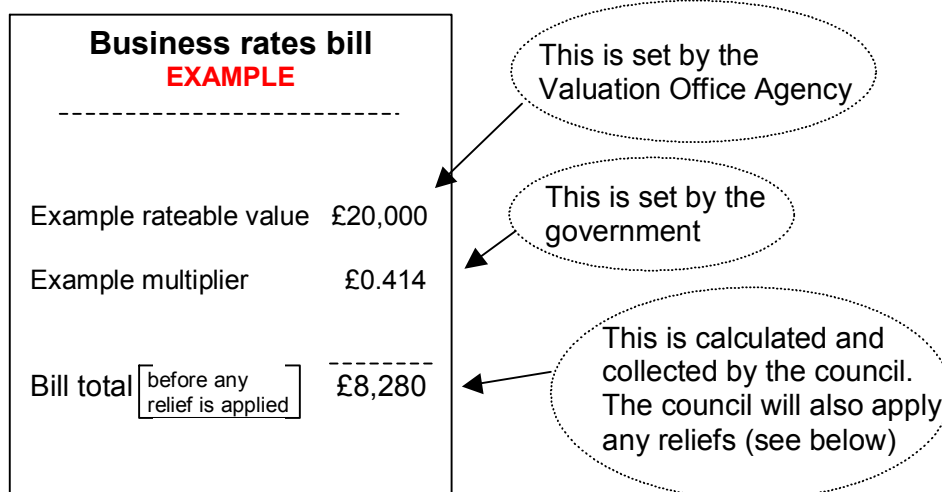


Business rates valuations Fact sheet

Business rates – who's who?



Rateable value

- All rateable values in England and Wales have been reviewed by the Valuation Office Agency (VOA).
- The new rateable values come into effect on 1 April 2010.
- This process is known as revaluation and has taken place every five years since 1990.
- Revaluation maintains fairness by keeping the business rates system up to date and in step with changes in the market.
- Rateable value represents the property's rental value on a set valuation date.
- Valuation date for new 2010 rateable values – 1 April 2008.

Multiplier

- Sometimes called the 'rate in the pound'.
- Determines how much is payable in business rates for each £ of rateable value.
- Multiplier set by central government – for 2010, the multipliers have been significantly reduced to ensure that no extra money is raised from business rates overall.
- 2010 multipliers for England:
 - Standard multiplier – 41.4p
 - Small business multiplier – 40.7p
- 2010 multiplier for Wales – 40.9p

Transitional relief

- Designed to limit the impact of significant changes in business rate bills in England as a result of revaluation.
- Details:
 - If 2010 rateable value is below £18,000 (or below £25,500 within Greater London), the rates bill will be limited to a 5% increase.
 - If 2010 rateable value is £18,000 or above (£25,500 or above within Greater London), the rates bill will be limited to a 12.5% increase.

Small business rate relief

- The thresholds have been increased.
- Details in England:
 - If 2010 rateable value is below £6,000, the bill will be calculated using the small business multiplier and there will be a 50% reduction in the bill.
 - If 2010 rateable value is between £6,000 and £11,999 (inclusive), the bill will be calculated using the small business multiplier and there will be a % reduction in the bill on a sliding scale as the rateable value increases.
 - If 2010 rateable value is between £12,000 and £17,999 (inclusive) (or between £12,000 and £25,499 in London), the bill will be calculated using the small business multiplier.
- Details in Wales:
 - if 2010 rateable value is below £2,400, you are eligible for 50% discount
 - if 2010 rateable value is between £2,401 and £7,800 (inclusive), you are eligible for 25% discount
 - if 2010 rateable value is between £7,801 and £11,000 (inclusive) and it is retail premises, you are eligible for 25% discount
- Eligibility for small business rate relief is not automatic in England – you must register with your local council. In Wales it is applied automatically.

Getting professional help

- Speaking to the Valuation Office Agency about your rateable value costs nothing but you may wish to appoint a rating professional to handle this on your behalf
 - If you do so, ensure they are a member of one of the professional bodies:
 - Royal Institution of Chartered Surveyors (RICS) - www.rics.org
 - Institute of Revenues, Rating and Valuation (IRRV) - www.irrv.org.uk
 - Rating Surveyors Association (RSA) - www.ratingsurveyorsassociation.org
 - Be wary of:
 - Anyone who comes cold calling
 - Anyone who wants payment for their services up front
 - Anyone who requests payment for lodging an appeal – this is free
 - Anyone who makes promises to reduce your rateable value or your business rates bill without knowing the details of your valuation
 - Anyone who claims to be working on behalf of the VOA. All VOA staff carry official proof of identity and no one else is ever authorised to work on the VOA's behalf
 - Being asked to sign any document before you fully understand the terms you will be committed to
- ! Bear in mind that a reduction in rateable value does not necessarily mean a reduction in your rates bill

Further information

- Businesses should ensure that their rateable value represents the rental value of their property on 1 April 2008. If they feel it doesn't they should contact the VOA as soon as possible and explain why they believe this is the case. If any changes are required, the VOA will make them and inform the local council. You must continue to pay your existing business rates bill in the meantime.
- Checking details of rateable values is really easy – the VOA's website at www.voa.gov.uk/valuation helps businesses do this, and make contact if there are any issues, as well as accessing lots of straightforward information.
- Details of the whole business rates system, along with other information on running a business, are also available at www.businesslink.gov.uk.