

Business rates were mentioned nine times in the Budget when the Chancellor kept saying "help for small businesses".

The fact is that none of the help comes into force until 1st April 2017 at the earliest.

Small Business Rates Relief

- The doubling of Small Business Rate Relief (SBRR) is already in force but currently has to be announced annually, however, from 1st April 2017 it will be a permanent relief.
- A business with only one property with a rateable value below £12,000 or one with additional properties whose rateable values are all below £2,600 don't pay any rates at all currently.
- From 1st April 2017 that figure will rise to rateable value £15,000.

Larger Businesses

- Larger businesses currently pay for SBRR through the small business supplement which is a 1.3 pence addition to the rate in the pound for 2016/2017. In London this applies to businesses whose rateable value is £25,000 and above and outside London £18,000 and above.
- From 1st April 2017 these thresholds will be considerably increased to rateable value £51,000 and above so, for example, this will save those with a rateable value of £50,999 some £661.70 per annum - proportionally less for those with a lower rateable value.

Uniform Business Rates

- Currently the Uniform Business Rate increases each year by Retail Price Index figure from the preceding October.
- This will change to the lower Consumer Price Index but not until 1st April 2020.

Help For Local Newspapers

- Help for local newspapers – There will be a £1,500 business rates discount for office space occupied by local newspapers in England (a maximum of one discount per local newspaper and per hereditament) for two years from 1st April 2017.
- However, it would seem the retail relief offered over the last two rate years has disappeared, which will greatly affect many small businesses.

Public Lavatories

- Good news if you own a public lavatory local authorities will be able to offer discretionary relief - I thought you all needed to know that.

Retail Relief

- The help for small businesses for 2016/2017 is, therefore, less than it was previously with there being no retail relief.



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Continued



2017 Revaluation

- How these reliefs will affect a business's rates bills is largely unknown because of the 2017 revaluation.
- Until the draft rating list is published in October this year, a business has no idea what its rateable value is going to be from 1st April 2017.
- No one knows what the rate in the pound on the small business supplement will be for 2017/2018.
- There has been no mention yet of whether large increases or decreases in rate liability following the revaluation will be "phased" through a transitional relief scheme as they have over the last five revaluations. There was no such scheme in either Wales or Scotland following the 2010 Revaluation.



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The Autumn Statement Update

- In the Autumn Statement, it was announced that going forward cities with elected Mayors would be able to levy an infrastructure tax from 2020 and all billing authorities would be able to set their own rate in the pound.
- However, yesterday the Chancellor announced that the Greater London Authority will move towards full retention of the business rates from 1st April 2017 – three years early and this could well impact on businesses with property in London

It sounded good as the speech was made but in reality it is all 12 months away at a minimum and there are so many imponderables that it is impossible to calculate the effect.

Rate Bills

A comment on the note from the Valuation Office Agency that is arriving with your rates bills.

It asks businesses to register to receive details of your draft rateable values in October.

If you have instructed Rapleys to look after your rates from 2017 onwards you do not need to bother with this. Rapleys will provide clients with a list of draft assessments and as soon as there is an announcement about the rate in the pound for 2017/2018 and whether there is to be any "phasing" in England, will also provide estimates of rate liability for 1st April 2017 onwards for rating clients.

Please contact the above for further information or advice regarding this update.

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