



Information for non-domestic ratepayers and consultation on proposed budget and council tax increase for 2022/23

Part 1: Information for Non-Domestic Ratepayers for the Financial Year 2022/23

Business Rates Multipliers

We multiply the relevant multiplier by your property's rateable value to arrive at your annual rates payable before adjusting for reliefs and exemptions.

The business rates multipliers are adjusted each year by central government in line with inflation (adjusted to take into account the changes in the total rateable value of the country through appeals, new builds etc.), except for the first year of a revaluation (as was the case for 2017) when the multipliers are re-set to ensure that, taking the country as a whole, the increase in total rateable value does not lead to an increase in overall revenue raised from business rates (excluding inflation).

The government has announced that the business rates multiplier for England will be frozen for 2022/32. This means that the multipliers that will apply from 1st April 2022 are:

1. Small Business Multiplier 49.9p (the same as in 2021/22)
2. Standard Multiplier 51.2p (the same as in 2021/22).

The Small Business Multiplier is used if your rateable value is less than £51,000.

Payment of Rates by 12 Monthly Instalments

For bills relating to 2022/23, ratepayers will again have the right to request to pay their rates in 12 monthly instalments.

Find, check and challenge your business rates valuation

You can check the 'rateable value' of your property - this is set by the Valuation Office Agency (VOA) and used by the council to calculate your business rates bill. Details of how to do this are available at: [Correct your business rates on the Gov.uk website](#). On this website you can also:

- request changes to property or valuation details if you think they're wrong
- view the valuation details of other properties
- challenge the rateable value if eligible.

You must continue to pay your rates bill until a revised rateable value is entered in the rating list. If there is a reduction the Council will refund any overpaid amount with interest, where applicable.

If you cannot reach an agreement with the valuation officer to change the rateable value the matter will be referred to the Valuation Tribunal who will hear and decide on the appeal. You can find information on the appeals process and the Valuation Tribunal on the website [Valuation tribunal website link](#)

Revaluations

Properties used to be revalued every 5 years for business rates. The current rating list came into force on 1st April 2017 (based on the hypothetical annual rental value of the property as at 1st April, 2015). The next revaluation was due to take place with effect from 1st April, 2021 (four years after the last one) with revaluations due to take place every three years after that. However, the government announced that a revaluation will no longer take place in 2021 to help reduce uncertainty for firms affected by the impacts of coronavirus. So the next revaluation of business rates is now due to take effect from 1st April 2023. Work is underway in England and Wales - Revaluation 2023. If you receive a request for rent, lease and ownership details from the Valuation Office Agency you should go online and complete the form. It takes less than 30 minutes to make sure your business rates are accurate.

[Find out more](#)

The government has indicated that, following the revaluation that takes effect from 1st April, 2023, revaluations will be every three years. They have also indicated that there will be a new regime of businesses having to provide information about changes to their properties to the Valuation Office Agency: it is intended to change the law so that businesses are required, by law, to notify the VOA of certain changes to their properties and their occupancy of properties. This will come into force in time for the revaluation in 2026.

Transitional Arrangements

Transitional relief and transition premium was due to have stopped for 2022/23. The legislation that came into existence in 2017 which detailed the phasing percentages to be used in the transitional calculations, only included the financial year from 01.04.2017 to 31.03.2022.

However, on 20 December 2021 the government notified Local Authorities of the details of the extension of the transitional relief scheme and supporting small businesses relief that was announced in the budget on 27 October 2021. This extension of the transitional relief and supporting small businesses awards applies properties with a rateable value of less than £100,001, who are currently in receipt of transitional relief. For the calculation, businesses who are affected by this, and who have a rateable value of £20,000 or less will have a 15% phasing percentage applied, and businesses with a rateable value between £20,001 and £100,000 will have a 25% phasing percentage applied. The transitional premiums will not apply, and transitional relief in respect of properties with a rateable value of more than £100,000 will not receive any transitional relief in 2022/23.

There is a link to the details provided in the government Business Rates information Letter concerning this here

<https://www.gov.uk/government/publications/92021-business-rates-guidance>

and the link to the government guidance notes for the application of the extended transitional relief scheme is here

<https://www.gov.uk/government/publications/business-rates-guidance-extension-of-transitional-relief-and-supporting-small-business-relief-for-small-and-medium-properties>

Because there is not time for the government to pass primary legislation, the entitlement to relief is to be awarded through the Council's discretionary relief powers. The way in which the entitlement is calculated is the same; but there is a significant change to the way in which any potential relief is applied to the account. Previously, any entitlement to transitional adjustments were calculated and applied to the account ahead of any other discounts. With this scheme, once the transitional relief amount has been calculated, we only apply transitional relief to the account after all other reliefs have been awarded.

Because of the changes the Government has made, our software suppliers will not be able to make the necessary changes to the software to allow bills for businesses who will get this new transitional relief to be calculated automatically in March. This will mean that the bills for these properties might be delayed for 2022/23.

We do not yet know whether there will be transitional arrangements following the revaluation in 2023/24.

Charitable and Discretionary Rate Relief

Charities are entitled to 80% mandatory rate relief on the rates chargeable for properties which are wholly or mainly used for charitable purposes. Community Amateur Sports Clubs are also entitled to 80% mandatory rate relief. The billing authority has discretion to grant further relief of up to 20%. The authority may also grant discretionary relief of up to 100% to organisations not established or conducted for profit and whose aims are charitable, philanthropic or to promote recreation, social welfare, education, science, literature and the fine arts.

Following the passing of the Localism Act 2011, Councils now have the broad power to grant discretionary relief to any local ratepayer provided it is reasonable to do so taking account of the interests of the council tax payers in its area (as part of the relief granted has to be financed by the Council).

The Council has a discretionary rate reliefs policy, which to support:

- new tenants or occupiers of new business premises where the tenant or occupier is unable to occupy the property straight away;
- businesses that are growing where this supports its [Economic Plan](#) and strategic priority for higher-value jobs growth.

The Council's policy for discretionary rate reliefs is available on the Council's website: [Derbyshire Dales District Council's Discretionary Rate Reliefs link](#)

Rating of Empty Property and Exemption from Rates

Empty properties are charged business rates on the same basis as for occupied rates i.e. there will be no relief (unless the property is exempt from empty rates – see below). In general, once a non-domestic property becomes unoccupied it qualifies for an exemption for the first three months that it is empty, after which it becomes liable to the 100% empty rate charge. This does not apply to properties that are classed industrial or storage, which are exempt for the first six months that they are empty. It also does not apply where the Council has granted discretionary rate relief to new tenants or occupiers of new business premises where the tenant or occupier

is unable to occupy the property straight away (see above). In rating law, 'owner' means the person entitled to possession.

Certain properties are exempt from empty rate liability, including:

- Properties where the RV is under £2,900
- Properties where the owner is a registered charity or a Community Amateur Sports Club.
- Properties where the law prohibits occupation.
- Properties that are empty as a result of action taken by or on behalf of the Crown, or a local or public body.
- Properties subject to a Building Preservation Notice, or is included in a list of monuments under the Ancient Monuments and Archaeological Areas Act 1979.
- Properties where the owner is either bankrupt, is a company subject to a winding up order or is acting in his capacity as a liquidator,
- Properties where the owner is acting in his capacity either as a trustee under a deed of arrangement or as a personal representative of a deceased person.

Section 44A Relief

This provision allows authorities the discretion to grant relief where part of a hereditament is unoccupied and it appears that this will be for a short period only. With the reform of empty property rates (see above), relief can only be granted where the unoccupied part would be exempt from empty property rates. Where a decision to grant relief is made, a certificate stating the rateable values attributable to the occupied and unoccupied parts must be requested from the Valuation Officer and relief is then granted on the value ascribed to the unoccupied part.

Rural Rate Relief

The Rural Rate Relief scheme allows for 100% mandatory relief to be granted to all of the following classes of business, provided that they are situated within a qualifying rural settlement and they meet the following criteria:

- Post Office – where it is the only such business in the rural settlement, provided it has a rateable value of £8,500 or less.
- General Store – where it is the only such business in the rural settlement, provided it has a rateable value of £8,500 or less.
- Public House – where it is the only such business in the rural settlement, provided it has a rateable value of £12,500 or less.
- Petrol Filling Station – where it is the only such business in the rural settlement, provided it has a rateable value of £12,500 or less.
- Rural Food Shop – any business consisting wholly or mainly of the sale by retail of food for human consumption (excluding confectionery and the supply of food for consumption on the premises, or hot food for consumption off the premises), provided it has a rateable value of £8,500 or less.

Billing authorities also have discretion to remit all or part of the rate bill of other businesses in a rural settlement that have a rateable value of £16,500 or less, if it is satisfied that the property is used for a purpose which benefits the local community.

General Stores are defined as a business whose trade is wholly or mainly the retail sale of food for human consumption (excluding confectionery) and household goods.

Rural settlements are defined in various statutory instruments and also by map reference. A qualifying rural settlement must have a population of no more than 3,000 residents. The list of rural settlements and details of the discretionary relief is available in the Council's policy relating to discretionary rate reliefs, which is available on the Council's website:

[Derbyshire Dales District Council's Discretionary Rate Reliefs link](#)

Small Business Rate Relief (SBRR)

Outline of the Scheme

For 2021/22, eligible properties with a rateable value (RV) of less than £12,000 receive 100% rate relief. Relief then reduces on a sliding scale for properties with a rateable value of between £12,000 and £15,000, with properties with a rateable value of £15,000 or above receiving no relief.

All occupied properties that do not qualify for any other mandatory rate relief and that have a RV below £51,000 will have their rates bill calculated using the small business multiplier, so they will benefit from not paying the higher multiplier (by 1.3p for 2021/21) irrespective of how many properties the ratepayer occupies.

Eligibility Criteria

To qualify for percentage reduction relief the property must have a rateable value of less than £15,000. The relief is normally only available to ratepayers with either one property, or one main property and other additional properties providing those additional properties have rateable values less than £2,900 and the total value all the properties remains under the £20,000 RV threshold.

The government, however, has relaxed the restriction on occupying a second property (which would normally result in the loss of the relief) so that where a business takes on an additional property it will continue to qualify for small business rate relief on the original property for a further 12 month period.

Calculation of the Bill - Changes through the Year

The relief will be applied to one property only and will be calculated for each chargeable day where the eligibility criteria are met. As soon as a ratepayer fails to meet the criteria above, relief will be cancelled from the date where the criteria are no longer met.

Registration

Relief can be granted automatically by the local authority where it is satisfied that the conditions for relief are met without the need for a written application. However, we will need to seek confirmation from you that your property meets the eligibility criteria above.

In cases where more than one mandatory relief could apply to a property:-

- where the property is eligible for mandatory charitable relief and small business relief, it shall receive charitable relief only
- where the property is eligible for mandatory rural rate relief and small business rate relief, it shall receive rural rate relief only
- where the property is eligible for all three reliefs, it shall receive charity relief only.

Supporting small businesses relief.

As a result of the revaluation that took place with effect from 1st April 2017 some businesses were facing large increases in their rates bills due to the loss of all, or some, of their small business rates relief or rural rate relief. So, the Government introduced a relief that limited any actual increase in rates payable in these circumstances to £600 per year, for up to five years. So, for example, anyone who paid nothing in 2016/17 because they received full small business rates relief but who was due to pay a lot more because they no longer qualified would have their increase capped at £600 in 2017/18, £1,200 in 2018/19, £1,800 in 2019/20, £2,400 in 2020/21, and £3,000 in 2021/22. Please see earlier paragraph entitled 'Transitional Arrangements' for the situation relation supporting small business relief in respect of the financial year 2022/23.

Retail Relief

In response to the problems faced by businesses during the pandemic, the government introduced the Expanded Retail Discount, which could be awarded to businesses that fell into the category of Retail, Hospitality or Leisure. In addition, the Nursery Discount was introduced.

Both of these discounts were for 100% for one financial year up to 31.03.2021.

These discounts were extended by the government for the financial year 2021/22. In 2021/22 eligible businesses received 100% discount for the period 01.04.2021 to 30.06.2021, followed by 66% discount for the period 01.07.2021 to 31.03.2022.

The government has announced that for the financial year 2022/23 there will be no Nursery Discount, and the Expanded Retail Discount will be awarded at 50%, and there are some types of businesses that will no longer be entitled to this discount. Types of businesses that are mentioned in the guidance as no longer being eligible to this discount in the guidance are;

- Financial services (banks, building societies, betting shops, etc.),
- Medical services (vets, doctors, dentists, etc.),
- Professional services (solicitors, accountants, employment agencies, estate agents and letting agents, etc),
- Post office sorting offices.

There will also be a cash cap limit of £110,000 per business. (That means for all of the business rates accounts that a business has throughout the country).

Attached is a link to the government guidance notes here:

<https://www.gov.uk/government/publications/business-rates-guidance-202223-retail-hospitality-and-leisure-relief-scheme>

Local Newspaper Offices

The £1500 relief given to offices occupied by local newspapers during the last three financial years has now been extended for the next five years to apply annually until 31st March, 2025.

Business Improvement Districts

Business Improvement Districts (BIDs) were introduced to allow additional revenue to be generated locally to fund specific projects to improve local conditions for businesses.

- Legislation allows Councils to establish “Business Improvement Districts” (BIDs) in their area where they are backed by the majority of businesses.
- The BID may be funded by an addition to the business rate.
- All the businesses that would be covered by a BID would have a vote on whether or not it is introduced. A vote can be called either by a LA or by businesses.
- The introduction of a BID levy requires a simple majority of those voting, *plus* a majority by rateable value. This means that a scheme cannot be forced through by small firms against the wishes of large ones, and vice versa.
- The legislation will permit the BID levy to be raised only on specified classes of business. This allows the sort of BID which might be of interest to, say, retailers but not to other businesses. Only the businesses that would pay the levy would be eligible to vote.

For further information and guidance on BIDs, visit the website [Gov.uk Business Improvement Districts link](#)

Business Rates Retention

For 2021/22 50% of the business rates that the District Council collects will go to central government to form part of the grant re-distribution; the remaining 50% is retained locally (40% by the district council, 9% by the county council and 1% by the fire authority - funding for the police authority is outside this scheme).

The government’s intention was to create a direct link between the rates collected and local authority income. There is an incentive for local authorities to grow their rateable value base as this will directly increase the amount of money raised and retained locally.

The system includes top-ups and tariffs designed to ensure that no local authority either benefits too much from the new system when compared to the old funding regime or suffers significant reductions in income.

Further information about the scheme can be found on the government’s website [Gov.uk Business Rates Retention Guidance Link](#)

The Government is carrying out a review of the business rates retention scheme and has consulted on significant changes to the system of rates retention. The outcome of the review has not yet been published but it is expected that any changes will be introduced from 2022/23 or later.

More Information and Useful Contacts

The billing authority is your main source of information if you have any questions about non-domestic rates, please contact the Council in one of the following ways:-

By post to: Derbyshire Dales District Council
Revenues Section
Town Hall
Matlock
Derbyshire
DE4 3NN

Telephone: 01629 818222

website: **www.derbyshiredales.gov.uk/services-business/business-rates**

email: revenues@derbyshiredales.gov.uk

If you want to enquire about how rateable values are set or other aspects of the valuation process you can contact the local Valuation Office Agency as follows:-

Valuation Office Agency
Rosebery Court
Central Avenue
St Andrew's Business Park
Norwich
NR7 0HS

Telephone: 03000 501 501

website: **www.voa.gov.uk**

email: ratingeast@voa.gsi.gov.uk

The government and the Valuation Office Agency (VOA) have set up a Business Link website to provide a wide range of useful information on business rates. Links to relevant webpages can be found from the VOA website **[Valuation Office Agency website link](#)**

The Department for Communities and Local Government has background papers on the decisions the Government makes and the legislation itself. Further information can be found on the government's website **[Gov.uk Premises Rates link](#)**

Part 2: Details of the Council's spending proposals and proposed council tax increase for 2022/23

Details of the Council's spending proposals and proposed council tax increase for 2022/23 are available on the Council's website:

[Derbyshire Dales District Council Spending Plans Link](#)

Councillors will meet on 3rd March 2022 to consider the proposed budget and council tax increase.

Please let us know your views by 1st March 2022 by email to finance@derbyshiredales.gov.uk with the subject "Ratepayer consultation – budget 2022/23"

18 February 2022