

## **National Non- Domestic Rate**

Non-Domestic Rates, or business rates, collected by local authorities are the way that those who occupy non-domestic property contribute towards the cost of local services. Under the business rates retention arrangements introduced from 1st April 2013, authorities keep a proportion of the business rates paid locally. The money, together with revenue from council taxpayers, locally generated income and grants provided by the Government and certain other sums, is used to pay for the services provided by local authorities in your area.

Further information about the business rates system, including transitional and other reliefs, may be obtained at [www.gov.uk/introduction-to-business-rates](http://www.gov.uk/introduction-to-business-rates)

## **Rateable Value**

Apart from properties that are exempt from business rates, each non-domestic property has a rateable value which is set by the valuation officers of the Valuation Office Agency (VOA), an agency of Her Majesty's Revenue and Customs. They draw up and maintain a full list of all rateable values, available at Valuation Office Agency - GOV.UK ([www.gov.uk](http://www.gov.uk)).

The rateable value of your property is shown on the front of your bill. This broadly represents the yearly rent the property could have been let for on the open market on a particular date. For the current rating list, this date was set as 1st April 2021.

The valuation officer may alter the value if circumstances change. The ratepayer (and certain others who have an interest in the property) can also check and challenge the value shown in the list if they believe it is wrong.

Further information about the grounds on which challenges may be made and the process for doing so can be found on the website: [www.gov.uk/guidance/how-to-check-your-rateable-value-is-correct](http://www.gov.uk/guidance/how-to-check-your-rateable-value-is-correct)

## **National Non-Domestic Rating Multiplier**

The local authority works out the business rates bill by multiplying the rateable value of the property by the appropriate multiplier. There are two multipliers: the standard non-domestic rating multiplier and the small business non-domestic rating multiplier. Except in the City of London where special arrangements apply, the Government sets the multipliers for each financial year.

Normally the multiplier for a financial year is based on the previous year's multiplier adjusted to reflect the Consumer Price Index (CPI) inflation figure for the September prior to billing. However, for 2025/2026 the Government has decided to freeze the small business non-domestic rating multiplier again and laid the necessary legislation- paragraph 6(1) of Schedule 7 to the Local Government Finance Act 1988 (inserted by paragraph 62 of the Local Government Act 2003).

The current multipliers are shown on the front of your bill. The standard multiplier is higher to pay for small business rate relief.

## **Business Rates Instalments**

Payment of business rate bills is automatically set on a 10-monthly cycle. However, the Government has put in place regulations that allow businesses to require their local authority to enable payments to be made through

12 monthly instalments. If you wish to take up this offer, you should contact the Local Authority before 1st April.

If you apply after this date, then instalments can only be extended to the following March, which is the end of the financial year.

## **Revaluations and Transitional Arrangements**

All rateable values are reassessed at revaluations. The most recent revaluation took effect from 1st April 2023. Revaluations ensure that business rates bills are up-to-date and more accurately reflect current rental values and relative changes in rents. Frequent revaluations ensure the system continues to be responsive to changing economic conditions. The next revaluation will take place in 2026.

At a revaluation some ratepayers will see reductions or no change in their bill whereas some ratepayers will see increases.

Transitional relief schemes are introduced at each revaluation to help those facing increases. The transitional arrangements are applied automatically and are shown to the front of your bill. Further information about transitional arrangements and other reliefs may be obtained from Lancaster City Council or the website <https://www.gov.uk/apply-for-business-rate-relief>

Depending on individual circumstances, a ratepayer may be eligible for a rate relief (i.e. a reduction in your business rates bill).

There are a range of available reliefs. Some of the permanent reliefs are set out below but temporary reliefs are often introduced by the Government at Budgets. You should contact your local authority for details on the latest availability of business rates reliefs and advice on whether you may qualify. Further detail on reliefs is also provided at [www.gov.uk/introduction-to-business-rates](http://www.gov.uk/introduction-to-business-rates)

## **Unoccupied Property Rating**

Business rates will not be payable in the first three months that a property is empty. This is extended to six months in the case of certain industrial properties. After this period rates are payable in full. In most cases the unoccupied property rate is zero for properties owned by charities and community amateur sports clubs.

In addition, there are a number of exemptions from the unoccupied property rate. Full details on exemptions can be obtained from your local authority or the website [www.gov.uk/apply-for-business-rate-relief](http://www.gov.uk/apply-for-business-rate-relief)

## **Partly Occupied Property Relief**

A ratepayer is liable for the full non-domestic rate whether a property is wholly occupied or only partly occupied. Where a property is partly occupied for a short time, the local authority has discretion in certain cases to award relief in respect of the unoccupied part. Full details can be obtained from the local authority.

## **Small Business Rate Relief**

Ratepayers who are not entitled to another mandatory relief and occupy a property with a rateable value which does not exceed £50,999 will have their bill calculated using the lower small business non-domestic rating multiplier, rather than the national non-domestic rating multiplier.

In addition, generally, if the sole or main property is shown on the rating list with a rateable value which does not exceed £15,000, the ratepayer will receive a percentage reduction in their rates bill for this property of up to a maximum of 100% for a property with a rateable value of not more than £12,000.

Generally, this percentage reduction (relief) is only available to ratepayers who occupy either-

- (a) one property, or
- (b) one main property and other additional properties providing those additional properties each have a rateable value which does not exceed £2,899.

In the second instance, the relief will only be applied to the main property but the charge on the additional properties will be based on the lower multiplier.

The aggregate rateable value of all the properties mentioned in (b), must not exceed £19,999 outside London or £27,999 in London on each day for which relief is being sought. If the rateable value, or aggregate rateable value, increases above those levels, relief will cease from the day of the increase.

For those businesses that take on an additional property which would normally have meant the loss of small business rate relief they will be allowed to keep that relief for a period of 12 months. Further information can be found at [www.gov.uk/introduction-to-business-rates](http://www.gov.uk/introduction-to-business-rates) Where a ratepayer meets the eligibility criteria and has not received the relief, they should contact their local authority.

Provided the ratepayer continues to satisfy the conditions for relief which apply at the relevant time as regards the property and the ratepayer, they will automatically continue to receive relief in each new valuation period.

Certain changes in circumstances will need to be notified to the local authority by a ratepayer who is in receipt of relief (other changes will be picked up by the local authority). The changes which should be notified are

- (a) the property falls vacant
- (b) the ratepayer taking up occupation of an additional property, and
- (c) an increase in the rateable value of a property occupied by the ratepayer in an area other than the area of the local authority which granted the relief.

## **Charity and Community Amateur Sports Club Relief**

Charities and registered Community Amateur Sports Clubs are entitled to 80% relief where the property is occupied by the charity or the club, and is wholly or mainly used for the charitable purposes of the charity (or of that and other charities), or for the purposes of the club (or of that and other clubs).

The local authority has discretion to give further relief on the remaining bill. Full details can be obtained from the local authority.

## **Spring Budget 2022 Relief Scheme: Supporting Small Business**

Ratepayers losing Small Business or Rural Rate Relief as a result of the 2023 revaluation will have their increases limited to a cash value of £600 per year. This relief will run until the next revaluation in 2026 and ratepayers will receive the relief until this date or they reach what their bill would have been within the relief scheme, whichever is first.

This relief will be delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act 1988). Further information can be obtained from your local authority.

## **Retail, Hospitality and Leisure Scheme 2025/2026**

The government announced in the Autumn Budget on 30<sup>th</sup> October 2024 that it will provide a Business Rates Retail Discount to apply in the year 2025/2026 to all occupied retail, hospitality and leisure properties with a rateable value of less than £51,000. The Discount is 40% of the charge after Mandatory and non-locally funded discretionary reliefs are applied and up to a cash cap limit of £110,000 per business. The discount is awarded under section 47 of the Local Government Finance Act 1988 (as amended) and is subject to subsidy control limits.

For further guidance see: [www.gov.uk/apply-for-business-rate-relief/retail-discount](https://www.gov.uk/apply-for-business-rate-relief/retail-discount) and for subsidy control see [www.gov.uk/government/collections/subsidy-control-regime](https://www.gov.uk/government/collections/subsidy-control-regime)

### **Local Discounts**

Local authorities have a general power to grant discretionary local discounts. Full details can be obtained from the local authority.

### **Rate Relief for Businesses in Rural Areas**

Certain types of properties in a rural settlement with a population below 3,000 may be entitled to relief. The property must be the only general store, the only post office or a food shop and have a rateable value of less than £8,500, or the only public house or the only petrol station and have a rateable value of less than £12,500. The property must be occupied. An eligible ratepayer is entitled to mandatory relief at 100% of the full charge.

### **Hardship Relief**

The local authority has discretion to give hardship relief in specific circumstances. Full details can be obtained from the local authority.

### **Rating advisers**

Ratepayers do not have to be represented in discussions about their rateable value or their rates bill. However, ratepayers who do wish to be represented should be aware that members of the Royal Institution of Chartered Surveyors (RICS - website [www.rics.org](http://www.rics.org)) and the Institute of Revenues, Rating and Valuation (IRRV - website [www.irrv.org.uk](http://www.irrv.org.uk)) are qualified and are regulated by rules of professional conduct designed to protect the public from misconduct. Before you employ a rating adviser, you should check that they have the necessary knowledge and expertise, as well as appropriate indemnity insurance. Take great care and, if necessary, seek further advice before entering into any contract.

### **Subsidy Control**

The new UK subsidy control regime commenced from 4 January 2023. The new regime enables public authorities, including devolved administrations and local authorities, to deliver subsidies that are tailored for local needs. Public authorities giving subsidies must comply with the UK's international subsidy control commitments. The subsidy control legislation provides the framework for a new, UK-wide subsidy control regime. Further information about subsidy control can be found on the gov.uk website at: [www.gov.uk/government/collections/subsidy-control-regime](https://www.gov.uk/government/collections/subsidy-control-regime)