

# Thanet District Council

## Non-Domestic Rates for 2011-2012

### Explanatory Notes

This information forms part of your  
Non-Domestic Rates Bill



Your Non-Domestic Rates, also known as Business Rates, are collected by Thanet District Council but are then paid into Central Government's national pool. The Government then pays a share of the pool to each local authority based on its resident population.

**Thanet's Non-Domestic Rates grant for 2011/2012 is £8,057,724**

**For 2011/2012 the Rate Poundage is 43.30p in the pound.**

**The following information is only a general guide, and is not a full and authoritative statement of Rating Law.**

## Non-Domestic Rates

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. Except in the City of London, where special arrangements apply, the rates are pooled by central government and redistributed to local authorities as part of the annual formula grant settlement. The money, together with revenue from council tax payers, revenue support grant provided by the Government and certain other sums, is used to pay for the services provided by your local authority and other local authorities in your area.

## 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 on their website at [www.voa.gov.uk](http://www.voa.gov.uk).

The rateable value of your property is shown on the front of this bill. This broadly represents the yearly rent the property could have been let for on the open market on a particular date. For the revaluation that came into effect on 1st April 2010, this date was set as 1st April 2008.

The valuation officer may alter the value if circumstances change. The ratepayer (and certain others who have an interest in the property) can appeal against the value shown in the list if they believe it is wrong. Further information about the grounds on which appeals may be made and the process for doing so can be found on the VOA website or from your local valuation office.

## 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. The former is higher to pay for small business rate relief. Except in the City of London where special arrangements apply, the Government sets the multipliers for each financial year for the whole of England according to formulae set by legislation. Between revaluations the multipliers change each year in line with inflation and to take account of the cost of small business rate relief. In the year of revaluation the multipliers are reassessed to account for overall changes to total rateable value and to ensure that the revaluation does not raise extra money for Government. The current multipliers are shown on the front of this bill.

## Revaluation 2010 and Transitional Arrangements

All rateable values are reassessed every five years at a general revaluation. The current rating list is based on the 2010 revaluation. Five yearly revaluations make sure each ratepayer pays their fair contribution and no more, by ensuring that the share of the national rates bill paid by anyone

ratepayer reflects changes over time in the value of their property relative to others. Revaluation does not raise extra money for Government.

Whilst the 2010 revaluation will not increase the amount of rates collected nationally, within this overall picture, over a million properties will see their business rate liabilities reduced and some ratepayers will see increases.

For those that would otherwise see significant increases in their rates liability, the Government has put in place a £2 billion transitional relief scheme to limit and phase in changes in rate bills as a result of the 2010 revaluation. To help pay for the limits on increases in bills, there also have to be limits on reductions in bills. Under the transition scheme, limits continue to apply to yearly increases and decreases until the full amount is due (rateable value times the appropriate multiplier). The scheme applies only to the bill based on a property at the time of the revaluation. If there are any changes to the property after 1st April 2010, transitional arrangements will not normally apply to the part of a bill that relates to any increase in rateable value due to those changes. Changes to your bill as a result of other reasons (such as because of changes to the amount of small business rate relief) are not covered by the transitional arrangements.

The transitional arrangements are applied automatically and are shown on the front of this bill. Further information about transitional arrangements and other reliefs may be obtained from Thanet District Council or the website: [www.mybusinessrates.gov.uk](http://www.mybusinessrates.gov.uk)

More information on revaluation 2010 can be found at [www.voa.gov.uk](http://www.voa.gov.uk)

## 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 unless the unoccupied property rate has been reduced by the Government by order. Listed buildings and small properties with a rateable value of **less than** £2,600 pay no empty rates even after the first three months have expired. 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 the local authority. If the unoccupied property rate for the financial year has been reduced by order, it will be shown on the front of this bill.

## 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

This relief is only available to ratepayers who apply to their local authority and 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 £2,599.

The rateable value of the property mentioned in (a), or the aggregate rateable value of all the properties mentioned in (b), must not exceed £17,999 outside London or £25,499 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.

Ratepayers who satisfy these conditions will have the bill for their sole or main property calculated using the lower small business non-domestic rating multiplier rather than the national non-domestic rating multiplier that is used to calculate the liability of other businesses.

In addition, if the sole or main property is shown on the rating list with a rateable value which does not exceed £12,000, the ratepayer will receive a percentage reduction in their rates bill for this property of up to a maximum of 50% for a property with a rateable value of not more than £6,000. If an application for relief is granted, 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 not need to reapply for relief in each new valuation period.

Certain changes in circumstances will need to be notified to the local authority by the ratepayer (other changes will be picked up by the local authority). The changes which must be notified are-

- (a) the ratepayer taking up occupation of a property they did not occupy at the time of making their application for relief, and
- (b) 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.

Notification of these changes must be given to the local authority within 4 weeks of the day after the day on which the change happened. If this happens, there will be no interruption to the ratepayer's entitlement to the relief. A notification that the ratepayer has taken up occupation of an additional property must be by way of a fresh application for relief; notice of an increase in rateable value must be given in writing. Full details on the eligibility criteria and on how to apply for this relief are available from the local authority.

## Charity and Community Amateur Sports Club (CASC) Relief

Charities and registered CASCs are entitled to 80% relief where the property is occupied by the charity or the CASC, 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 CASC (or of that and other CASCs).

The local authority has discretion to give further relief on the remaining bill.

Full details can be obtained from the local authority.

## Non-Profit Making Organisation Relief

The local authority has discretion to give relief to non-profit making organisations.

Full details can be obtained from the local authority.

## Hardship Relief

The local authority has discretion to give relief in special circumstances.

Full details can be obtained from the local authority.

## Deferred payment of 2009/10 rates liabilities

Ratepayers in 2009/10 were able to defer payment of 3% of their 2009/10 rates bill and, where applicable, 60% of the increase in that bill due to the ending of the 2005 rating list transitional relief scheme. The right to apply for deferral has now ended. For those ratepayers who applied for this scheme, the deferred amount to be collected in 2010/11 and 2011/12 will be included in the bills for each of those years respectively.

## Rating advisers

Ratepayers do not have to be represented in discussions about their rateable value or their rates bill. Appeals against rateable values can be made free of charge. 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.

## 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 has to be occupied. An eligible ratepayer is entitled to relief at 50% of the full charge whilst the local authority also has discretion to give further relief on the remaining bill. In addition, the local authority can give relief on certain other occupied property in a rural settlement where the rateable value is less than £16,500. Full details can be obtained from the local authority.

## Thanet District Council's budgetary information

	2011/12	2011/12	2011/12	2011/12	2010/11
Thanet District Council	Gross Expenditure	Fees, Charges & Other Income	Government Grants & Subsidy Income	Net Expenditure	Net Expenditure
	£'000s	£'000s	£'000s	£'000s	£'000s
Chief Executive	1,374	551	0		826
Environmental Services	24,875	14,081	90		11,183
Community Services	3,638	2,912	257		430
Customer Services	88,683	8,112	79,184		2,666
Finance and Corporate Services	13,700	7,141	0		6,813
Regeneration/ Maritime	13,454	11,133	268		2,017
Housing Revenue Account	11,336	11,336	0	0	0
<b>Total</b>	<b>157,060</b>	<b>55,266</b>	<b>79,799</b>	<b>21,995</b>	<b>23,935</b>
<b>Contribution to (from cr) Reserves/grants:</b>					
General Fund				-224	-879
<b>Thanet District Council Net Requirement</b>				<b>21,771</b>	<b>23,056</b>

### What will this year's budget be?

The net budget requirement in 2011/12 is estimated at £21,771,200, a decrease of £1.28m (5.57%) on last year's budget. The Council has achieved a balanced budget, whilst ensuring a Council Tax freeze. General Fund Budget Analysis:

<b>General Fund Budget Analysis:</b>	<b>£000's</b>
<b>Net budget for 2010/11</b>	<b>23,705</b>
Inflationary Increases	598
Increases re income and grants	-965
Growth	552
Identified savings	-1,895
<b>Net service revenue budget</b>	<b>21,995</b>
Contribution to costs from grant	-184
Use of Earmarked Reserves	-40

## Major changes from last year

Many of the items budgeted for have to be paid for every year, while others occur only once, or will need extra money spent on them in one year. Items that affect the budget for 2011/12 include:

	£000's
Service pressures	552
Increased chargeable activity e.g. fees and charges	-218
Changes to specific grant income	-858
Staff related savings	-1,113
Savings re shared services	-400
Service efficiencies and reductions	-127

## Loan Liabilities

The Council's total outstanding borrowings from external organisations at 31 March 2011 are estimated at £26.646m.

## Contacts

**The District Valuer and Valuation Officer**  
**Valuation Office Agency**  
**Palting House**  
**Trinity Road**  
**Folkestone**  
**Kent CT20 2TP**  
**Phone: 03000 503888**  
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Fax: 01843577532  
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[www.thanet.gov.uk/businessrates](http://www.thanet.gov.uk/businessrates)

## Other useful contacts

**Department for Communities and Local Government:**  
[www.communities.gov.uk/localgovernment/localgovernmentfinance/businessrates/](http://www.communities.gov.uk/localgovernment/localgovernmentfinance/businessrates/)

**Royal Institution of Chartered Surveyors:**  
[www.rics.org.uk](http://www.rics.org.uk)

**Institute of Revenues Rating and Valuation:**  
[www.irrv.org.uk](http://www.irrv.org.uk)

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