

Summary

1. Every 5 years on dates set by law
2. Bad luck that this time the date for valuation occurred at the top of the market
3. Valuation is to reflect changes in property value and is 'revenue neutral'.
4. 'Transition relief' is to smooth out changes. Seeking to improve over last time
5. Letters show new valuations. Rates payable will be less than half as they are valuation multiplied by poundage.
6. Poundage currently estimated to be 41.30p for 2010/11 compared with 48.5p for this year. So premises with a rateable value of £12,000 will pay £4956 (12,000 x 41.30/100)
7. RECOMMEND people go on line and check their new rateable values against other premises that they are familiar with. Mistakes are made and this is an easy way to spot them. FSB members have already done this and got their rateable values corrected.
www.voa.gov.uk/2010
8. Seek professional advice if you have any issues.
9. Do not pay money up front for anything – profession surveys or anything. Professionals will invoice you after they have negotiated your rates reduction. Their fee will be based on the reduction achieved.
10. Small business rate relief continues.
 - a. Half rates payable where the RV is less than £6000 (up from £5000)
 - b. Relief graduated up to £11999 (up from £9999)
 - c. Need to register to pay the lower rate for properties with RV less than £18000 (up from 14999)

Visit <http://www.communities.gov.uk/documents/localgovernment/pdf/1348215.pdf> for full details

An explanation and suggestions for action.

To keep the business rates system fair and up-to-date, all rateable values are reviewed every 5 years to make sure they reflect changes in the market.

By law, the valuations are based on the rent paid in April 2008. It is really bad luck that that date is just about at the top of the market – but that is the law and it cannot be changed to affect things that have already happened.

What we can influence and what we are trying to influence is the form the transition relief will take. In the past the 'relief' has been to limit any increases to no more than 20%. In a few cases this has resulted in businesses reaching the end of the transition period and still having an increase of 30% or more to take them to the new valuation.

We are trying to get any increases staggered over the whole period so that nobody faces a massive hike at the end of the period – but we do not know if the computer system can cope with that.

If you want to lobby, call for a better transition system as described above and for a small business rate relief scheme as good as that in Scotland.

Check your valuation

If you own or occupy business premises you should check the details of your business rates valuation as soon as you receive it to make sure you pay the correct business rates. The valuations are going out this month and will be used by local councils to calculate next year's business rates bills.

The new valuations are effective from 1 April 2010 and clearly show the details of the business property, whether it is a shop, an office or a warehouse, including the number of rooms, their description and size, and the value applied to each area. For pubs, and other licensed property, the valuation will show the levels of fair maintainable trade, instead of floor space.

There is a new website – www.voa.gov.uk/2010 - where you can compare your valuation with others and make contact if there are any issues. All of this can be done without any professional knowledge of the business rates system.

If you are really unhappy about your new valuation seek professional advice. DO NOT get involved with any organisation that asks for fees up front.

Good news and bad news for the SW

And as there are changes to the property valuations, there are also changes to the Small Business rate relief limits.

The lower level has risen from £5000 to £6000. Below this figure businesses applying for the relief will pay just half rates. The upper limit has increased from £10,000 to £12,000. So businesses applying for the relief will get a reduction on their rates, so long as their rateable value is less than £12,000. This relief is paid for by other ratepayers. But if your rateable value is less than £18,000 (up from £14,999) you can apply for a special rate.

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The bad news is that properties in the SW have increased in value by more than most other English Regions. So there could well be some members who used to get the relief, but with the new valuations, even with the higher levels of relief, no longer qualify.