

Business Rates in 2010/11



By Fern Silverio

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Proposed 2009/10 Multipliers



- In line with Local Government Act 2003, there are 2 multipliers:
 - The non domestic rating multiplier [which includes the supplement of £0.007p to pay for the small business relief]
 - The small business non-domestic rating multiplier which is applicable to those that qualify for the small business relief
- **Standard** 0.414p (0.485p)
- **Small Business** 0.407p (0.481p)
- Adjusted for the change in rateable values [reval 2010] and for September 2009 RPI – a figure of -1.4%

- Revised rateable values with effect from 1.4.2010
- Although Harrow RV's increased by 13.63%, this is lower than the average nationally
- Most types of property will therefore not pay any more considering that Government has adjusted the multiplier to cater for RPI & RV increases

Transitional Relief Scheme 2010-2014



- Annual caps on both increases and reductions over 5 years
- Different caps for both increases and reductions
- Increase cap funded by capping reductions on those who will benefit from lower bills
- Scheme works by looking at the amount paid in the preceding year, and then deducting the amount from the 2010/11 rates payable. If the amount exceeds or is less than the cap percentage for year, then a credit or debit is added to the bill either reducing or increasing the amount payable to coincide with the relevant year % upward/downward cap levels – this is shown on bills as TRANSITIONAL RELIEF/DEBIT

- The Scheme works on the basis that properties are split into 2 categories
- For London, those properties where the rateable value is
- < 25,499 - are classed as **SMALL PROPERTIES**
- > 25,500 - are classes as **LARGE PROPERTIES**

Table showing CAP percentages

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	2010/11	2011/12	2012/13	2013/14	2014/15
upward cap (small properties)	5%	7.5%	10%	15%	15%
upward cap (large properties)	12.5%	17.5%	20%	25%	25%
downward cap (small properties)	20%	30%	35%	55%	55%
downward cap (large properties)	4.6%	6.7%	7%	13%	13%

Supplementary Business Rates – Crossrail precept



- **All Properties over rv50,000 will have the supplementary element added to their bill starting 1/4/2010**
- Properties with rateable values under 50,000 will be exempt and will not pay BRS
- Supplement is likely to be 2p in the £
- In Harrow 430 Properties will pay the supplement

- Small Business Rates Relief thresholds increased
- Properties with rateable value under 6,000 now qualify for 50% relief
- Properties with rv's between 6,000 and no more than 12,000 will receive relief on a sliding scale with each 120 of rv over 6,000 equating to 1% less relief
- Properties between with rateable values of 12,000 and 25,499 will have their rates calculated using the small Business Rates Multiplier rather than the higher multiplier

- Council has created a fund for hardship relief worth £50k
- As this is subsidised by Central Government to the tune of 75%, the fund is in actual fact worth £200k
- Criteria in place for applicants to comply with
- Cases assessed on individual merit and can apply either for relief on arrears or current year's rates bill.

- Should you wish further information please contact:
 - The Revenues office via tel. 0208 424 1670
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