

Harrow Business Consultative Panel SUPPLEMENTAL AGENDA

DATE: Monday 25 January 2010

AGENDA - PART I

10. BUSINESS RATES IN 2010/11 (Pages 1 - 10)

Presentation of the Corporate Director Finance.

Note: In accordance with the Local Government (Access to Information) Act 1985, the following agenda item has been admitted late to the agenda by virtue of the special circumstances and urgency detailed below:-

<u>Agenda item</u>	<u>Special Circumstances/Grounds for Urgency</u>
10. Business Rates in 2010/11	This presentation was not available at the time the agenda was printed and circulated as the Council was waiting for Central Government confirmation of schemes/figures which were released last week. Members are requested to consider this item, as a matter of urgency.

AGENDA - PART II - NIL

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Business Rates in 2010/11

By Fern Silverio

Head of Service - Collections

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

- 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

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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