

MONMOUTHSHIRE COUNTY COUNCIL EXPLANATORY NOTES – March 2018

The information given below explains some of the terms which may be used on a non-domestic rate demand and in the supporting information. Further information about liability to non-domestic rates may be obtained from billing authorities.

Non-Domestic Rates

The non-domestic rates collected by billing authorities are paid into a central pool and redistributed to county and county borough councils and police authorities. Your council and police authority use their shares of redistributed rate income, together with income from their council tax payers, revenue support grant provided by the Welsh Ministers and certain other sums, to pay for the services they provide.

Rateable Value

The rateable value of non-domestic property is fixed in most cases by an independent Valuation Officer of the Valuation Office Agency (VOA). All non-domestic property is usually revalued every 5 years. The rateable value of a property represents its annual open market rental value. For the Rating List commencing 1st April 2010, the VOA used rental values as at 1st April 2008. The revaluation due to take effect from April 2015 was postponed by the Government for 2 years and the new Rating List is effective from 1st April 2017 using rental values as at 1st April 2015. For composite properties which are partly domestic and partly non-domestic, the rateable value relates to the non-domestic part only. The values of all property in respect of which rates are payable to Monmouthshire County Council are shown in the local rating list. A copy of which may be inspected at the Council's local offices in Abergavenny, Monmouth, Chepstow and Caldicot. More information is available at the VOA website www.voa.gov.uk.

Alteration of Rateable Value

The rateable value may alter if the Valuation Officer believes that the circumstances of the property have changed. The ratepayer (and certain others who have an interest in the property) may also in certain circumstances propose a change in value. If the ratepayer and the Valuation Officer do not agree the valuation within 3 months of the proposal being made, the matter will be referred as an appeal to a Valuation Tribunal. Further information about how to propose a change in a rateable value is available from valuation offices.

For your property this can be found at: Non-domestic Rates Wales, Valuation Office Agency, Ty Rhodfa, Ty Glas Road, Llanishen, Cardiff, CF14 5GR. Tel: 03000 505505 E-mail: ratingwales@voa.gsi.gov.uk.

National Non-Domestic Rating Multiplier

This is the rate in the pound by which the rateable value is multiplied to give the annual rate bill for a property. The multiplier set annually by the Welsh Ministers is the same for the whole of Wales and except in a revaluation year cannot rise by more than the rate of the increase in the retail prices index.

Proposals and Appeals

Information about the circumstances in which a change in rateable value may be proposed and how such a proposal may be made is available from the local valuation office shown above. Further information about the appeal arrangements may be obtained from Monmouthshire County Council or from the Valuation Office Agency whose website is www.voa.gov.uk.

Small Business Rate Relief – From 1st April 2018

The Welsh Assembly Government introduced a permanent small business rate relief scheme effective the 1st April 2018, to assist businesses that occupy premises with a low rateable value and as a result many ratepayers have seen their rate bills reduced.

Businesses with rateable value up to £6,000 qualify for 100% relief and there is tapered relief for properties with rateable value between £6,001 and £12,000. The table below illustrates relief entitlement.

Property Type	Rateable Value	1 st April 2018
All Business	Up to £6000	100%
All Business	£6001 - £12000	Tapered relief
Post Offices	Up to £9000	100%
Post Offices	£9000 - £12000	50%
Child Care Premises	£6001 - £20,500	Tapered Relief

The major change in this scheme compared to previous years is that a ratepayer will only receive relief for up to two properties in any local authority area (unless those properties are a post office or child care premises). If you qualify for this relief, your rates demand notice shows the amount of relief granted and the net amount due to be paid. Rates are payable in instalments. The value of your instalments takes into account any relief entitlement.

For further details on the current scheme contact the Revenue Section at the address given below or view the most recent information provided by the Welsh Government at <https://businesswales.gov.wales/sites/business-wales/>

Transitional Rate Relief 2017/18

Following the 2017 non-domestic rates revaluation by the Valuation Office Agency, the Welsh Government has introduced a transitional relief scheme to support ratepayers whose eligibility for small business rate relief has been adversely affected. The scheme will assist ratepayers of occupied properties in receipt of small business rate relief on 31st March 2017, experiencing a reduction in the percentage of small business rates relief they are entitled to on 1st April 2017, due to increases in their rateable value following the revaluation. In addition, there must be an increase in rate liability greater than £100. Eligible businesses will automatically receive relief as follows:

2017/2018 - 75% of the increased charge 2018/2019 - 50% of the increased charge 2019/2020 - 25% of the increased charge

Charitable and Discretionary Relief

Charities and community amateur sports clubs are entitled to 80% relief from rates on any non-domestic property where:-

- a) in the case of charities, the property is wholly or mainly used for charitable purposes, or
- b) in the case of a club, the club is registered with HM Revenue & Customs.

Billing authorities have discretion to remit all or part of the remaining 20% of a charity's bill on such property and can also give relief in respect of property occupied by certain bodies not established or conducted for profit.

For more information regarding clubs you should contact HMRC Charities, CASC Unit, St. John's House, Merton Road, Liverpool L75 1BB, Tel 0845 3020203 (website is <http://www.hmrc.gov.uk>)

Monmouthshire County Council's discretionary relief policy is set out below:

- i) *No Discretionary Relief will be awarded for those in receipt of Mandatory Relief.*
- ii) *Other qualifying non-profit based organisations as follows:*

<i>Village Halls, Community/OAP Centres</i>	<i>80%</i>
<i>Tourist Information Centres</i>	<i>50%</i>
- iii) *Sports Clubs that do not have charitable status – levels of relief based on bar turnover.*

<i>Up to £20,000 - 75%</i>	<i>£20,001 – £30,000 - 50%</i>	<i>£30,001 – £40,000 - 25%</i>	<i>over £40,000 - NIL</i>
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- iv) *Charitable organisations occupying premises where the primary use is for retail will not be awarded discretionary relief.*
- v) *Charitable organisations occupying premises where there is some secondary retail activity but the primary use is to promote the charitable objectives of the organisation, to be decided on a case by case basis.*
- vi) *In all cases discretionary relief is limited to a maximum of £2,500.*

Unoccupied Property Rating

Owners of unoccupied non-domestic properties may be liable to empty property rates which are charged at 100% of the normal liability. Liability begins after the property has been empty for 3 months or, in the case of factories and warehouses, after the property has been empty for 6 months. Certain types of property are exempt from empty property rates and are listed below:

Non-industrial premises	Exempt for the first 3 months (followed by 100% charge)
Qualifying industrial properties	Exempt for the first 6 months (followed by 100% charge), E.g. factories, warehouses, workshops, stores etc.
Properties with Rateable Values below the following thresholds: Less than £1,500 Less than £2,200 Less than £15,000 Less than £18,000 Less than £2,600	Prior to 1.4.2008 For the period 1 st April 2008 to 31 st March 2009 For the period 1 st April 2009 to 31 st March 2010 For the period 1 st April 2010 to 31 st March 2011 From 1 st April 2011
Listed buildings	Includes a property which is the subject of a building preservation notice, or which is included in a list of buildings of special architectural or historic interest.
Occupation prohibited by law	When action has been taken by the Crown or any local or public authority to prevent occupation.
Ancient monuments	Exemption applies to properties included in the schedule of monuments compiled under s.1 to the Ancient Monuments and Archaeological Areas Act 1979.
Personal Representatives of deceased persons	A property is exempt where the owner is entitled to possession only in his capacity as the personal representative of a deceased person.
Insolvency and debt administration	May include cases where there is a bankruptcy order or winding-up order or where the owner is entitled to possession only in his capacity as a trustee under a deed of arrangement or as a liquidator by virtue of an order made under the Insolvency Act 1986.
Charities	Exemption applies where the ratepayer is a charity and it appears that when the property is next used it will be wholly or mainly used for charitable purposes.
Amateur Sporting Clubs	Exemption applies when the ratepayer is an amateur sporting club and it appears that when the property is next used it will be wholly or mainly used by that club or together with another club(s) providing they are all registered as community amateur sporting clubs.

The Welsh Assembly Government sets the rateable value threshold limits which determine entitlement to exemption from rates for unoccupied and unused business premises. In previous years that threshold has been set high, £15,000 for 2009/10 and £18,000 for 2010/11. Many empty properties had rateable values below those thresholds and consequently there were no rates payable. However, since 1st April 2011 the rateable value threshold has been set much lower at £2,600 with the result that rates are payable on many more empty properties.

Your rate demand shows the amount of rates payable together with the value of any existing relief, or exemption.

Please notify the Revenues Section if your circumstances have changed, since this may affect your entitlement. If you do not currently receive any relief, or exemption but think you may qualify or if you would simply like further information or advice then please let us know.

For more information, please contact The Revenue, PO Box 106, Caldicot, NP26 9AN, or
Tel: 01633 644630 - Email: counciltax@monmouthshire.gov.uk