

Business Rates Information Letter

(5/2009): Business Information Letter

This is the fifth Business Rates Information Letter to be issued by the Department this year. Previous letters are available on the internet at:

<http://www.local.communities.gov.uk/finance/busrats1.htm>

This letter covers:

- ♣ **The Non-Domestic Rating (Unoccupied Property) (England) Regulations 2009**
- ♣ **The Non-Domestic Rating (Small Business Rate Relief) (England) (Amendments) Order 2009**
- ♣ **Council Tax and Non-Domestic Rating (Demand Notices) (England) (Amendment) Regulations 2009**

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Chief Finance Officers of English Billing Authorities

FOR THE ATTENTION OF THE BUSINESS RATES SECTION

Dear Chief Finance Officer

Business Rates information Letter (5/2009): Amendments to Regulations

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The Non-Domestic Rating (Unoccupied Property) (England) Regulations 2009

1. We notified billing authorities in our BRIL (6/2008) of 25 November that we would be changing the *Non-Domestic Rating (Unoccupied Property) (England) Regulations 2008* which would take effect from 1 April 2009.

2. We have now laid before Parliament on 3 March 2009 - *the Non-Domestic Rating (Unoccupied Property) (England)*

Regulations 2009 (SI 2009/353) – which will come into force on 1 April 2009.

3. The following change has been made:

Section 45 of the Local Government Finance Act 1988 provides that owners of empty non-domestic properties are liable to pay non-domestic rates if certain conditions apply. One of those conditions is that the property must fall within a class prescribed by regulations made, in relation to England, by the Secretary of State.

Regulation 3 of the Non-Domestic Rating (Unoccupied Property)(England) Regulations 2008 prescribe that class as consisting of all buildings or parts of buildings except those listed in regulation 4. The list in regulation 4 includes properties whose rateable value is less than £2,200 (regulation 4(g)). For the financial year beginning on 1st April 2009, regulation 2 of the Regulations alters the operation of regulation 4(g) so that it excepts properties whose rateable value is less than £15,000.

4. **SI 2009/353** can be found at: <http://www.opsi.gov.uk/stat.htm>

The Non-Domestic Rating (Small Business Rate Relief)(England) (Amendments) Order 2008

5. We notified billing authorities in our BRIL (6/2008) of 25 November that the *Non-Domestic Rating (Small Business Rate Relief) (England) Order 2004* would be amended and that the new Regulations would take effect from 1 April 2009.

6. We have now laid before Parliament on 3 March 2009 - *the Non-Domestic Rating (Small Business Rate Relief)(England) (Amendment) Order 2009 - (SI 2009/354)* – which will come into force on 1 April 2009.

7. The following change has been made:

This Order removes the requirement that, to be eligible for the small business rate relief, a ratepayer must occupy a hereditament with a rateable value of no more than £21,499 in Greater London, or £14,999 outside Greater London, on the first day of each financial year in which relief is sought. It does this by amending the Non-Domestic Rating (Small Business Rate Relief)(England) Order 2004, which prescribes the conditions for entitlement to small business rate relief.

The Order also makes consequential amendments to the 2004 regulations so that the rateable value of the hereditament in respect of which a ratepayer is seeking relief must still be no more than £21,499 in Greater London, or £14,999 outside Greater London, on every day for which relief is actually sought.

The amendments made by the order apply for the purposes of applications for small business rate relief in respect of days in the financial year which begins on 1st April 2009 and subsequent financial years.

8. **SI 2009/354** can be found at: <http://www.opsi.gov.uk/stat.htm>

Council Tax and Non-Domestic Rating (Demand Notices) (England)(Amendment) Regulations 2009

9. We notified billing authorities in our BRIL (3/2009) of 10 February that the Council Tax and *Non-Domestic Rating (Demand Notices) (England) (Amendment) Regulations 2003* would be amended and that the new Regulations would take effect from 1 April 2009.

10. We have now laid before Parliament on 3 March 2009 - *the Council Tax and Non-Domestic Rating (Demand Notices)(England) (Amendment) Regulations 2009* - (**SI 2009/355**) – which will come into force on 1 April 2009.

11. The following change has been made:

The Regulations amend the Council Tax and Non-Domestic Rating (Demand Notices)(England) Regulations 2003 in regards to the non-domestic rating demand notices only.

Schedule 2 to the 2003 Regulations sets out the matters to be included in non-domestic rating demand notices. Part 1 of that Schedule relates to demand notices sent by billing authorities other than a rural settlement authority, to which Part 2 relates, and special authorities to which Part 3 relates (the term “special authority” is defined in section 144(6) of the Local Government Finance Act 1988). The explanatory notes which are required by each part give the recipient of rate bills information about the bill and the relief that are available.

The amendments made by the Regulations update the information to be provided to ratepayers about small business rate relief and add extra information about the circumstances in which certain backdated rates liability can be scheduled.

12. **SI 2009/355** can be found at: <http://www.opsi.gov.uk/stat.htm>